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ABSTRACT

The problem of senior citizens in Florida who need to work are chronicled in this third part of the Senate Special Committee on Aging, Work after 65 hearings, conducted in Orlando, Florida, in July, 1980. During the Florida hearing, representatives of various government programs for senior citizens, professors of education and economics and private employers and employment agencies described the services their agencies or offices provided for persons over age 65, and the problems these seniors encounter. Themes running through the testimony were that pensions and Social Security provide inadequate incomes for most retired persons, and, therefore, the people need jobs. However, they often encounter discrimination in finding a job and in being paid a fair wage. However, experience has shown that older workers are as capable as younger ones if they are allowed to work. The witnesses urged more help for senior citizens in finding employment and in filling out forms required, as well as suggestions for increasing Medicare benefits. Many personal anecdotes of productive senior citizens are included. (KC)

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WORK AFTER 65: OPTIONS FOR THE 80's

HEARING

BEFORE THE

SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE

NINETY-SIXTH CONGRESS

SECOND SESSION

PART 3—ORLANDO, FLA.

JULY 9, 1980

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WORK AFTER 65: OPTIONS FOR THE 80's

WEDNESDAY, JULY 9, 1980

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Orlando, Fla.

The committee met, pursuant to notice, at 2 p.m., in the Orange County school board room, Orlando, Fla., Hon. Lawton Chiles, chairman, presiding.

Present: Senator Lawton Chiles.

Also present: E. Bentley Lipscomb, staff director; John A. Edie, chief counsel; Charles Canady, administrative assistant to Senator Chiles; and Helen M. Gross-Wallace, clerical assistant.

OPENING STATEMENT BY SENATOR LAWTON CHILES, CHAIRMAN

Senator CHILES. Good afternoon. We want to welcome you to the third hearing of the Senate Special Committee on Aging series entitled "Work After 65: Options for the 80's." Over the past 3 months, the Senate Special Committee on Aging has been examining the present and future status of the older worker.

I am particularly glad to be here in central Florida where the percentage of older persons is some 30 years ahead of its time. Our previous two hearings have been in Washington, so I am looking forward to receiving testimony from a more local point of view.

As the hearings on this subject have progressed, it has become clear to us that there really are two major areas of employment that need review. One is the retiree who would like to go back to work, and the other is the current older worker who would like to continue working rather than being forced to retire.

Florida strikes me as being a perfect example of a State with many older persons who would like to be reemployed to supplement their incomes, at least on a part-time basis. We will hear from some witnesses today who have done just that. More significantly, our hearings have focused on the need to keep older persons working longer—up to and beyond the normal retirement age.

Why are we interested in finding more incentives for older people to prolong their working years? The answer is twofold.

First, many older persons do not wish to be put out to pasture early. In fact, in a recent Harris poll, nearly half of all those questioned indicated a desire to keep working beyond retirement age.

Second, there is a cost problem. As you know, the social security program has come under severe financial stress. We are correcting the short-term financial strain, but the long term is uncertain. By increasing the average age of retirement in America, we could take

substantial pressures off the social security system—and perhaps make room for improved benefits. At the same time, we could reduce the mounting pressures on many of the private pensions in this country that are also in trouble.

In short, we have a strange paradox of events. Consider these facts: (1) Polls show that many workers want to work longer; (2) the mandatory retirement age has been lifted to age 70 for private industry, and has been eliminated altogether in many other areas; (3) the health of older people today is better than it ever has been in the past; and inflation has many workers worrying seriously about whether their retirement income will be enough to get by.

Yet despite these facts, the national trend continues to be one of early retirement.

To be specific, the Department of Labor tells us that the percentage of men over age 65 in the labor force has dropped from 46 percent in 1950 to 20 percent in 1977.

I must confess that I am alarmed by these facts. As a Nation, we simply will not be able to afford early retirement for everyone. The tax burden will be too high.

Well, I think early retirement should be an option. For some it is a very viable option and necessary, but it should not be the only option. We need to encourage and support more and more new initiatives for a longer work life. Many private companies, such as Polaroid and Atlantic Richfield, have told us that encouraging older workers to stay on has been very beneficial to their operations.

The president of Xerox, Peter McColough, who is also Chairman of the President's Commission on Pension Policy, told us: "We should encourage full- and part-time employment opportunities for older workers and retirees as a matter of national policy."

I think that makes a lot of sense. In a day in which we know how many people are pressed because of the ravages of inflation, because of financial constraints in trying to live within their fixed incomes, many people find that it is necessary to continue working. Many people are just not happy to hang it up and go rock in the rocking chair.

Also, as a point of Government policy, it certainly makes sense to encourage those people that would like to work longer, because for every year that we raise the retirement age—let's say if we went from 65 to 66 as the average retirement age; that would save the social security trust fund about $250 billion over the next 70 years.

With these concerns in mind, we hope these hearings are going to help explode a lot of the myths that have been out there, those myths that said when somebody becomes 65, suddenly they become accident prone, suddenly they are going to be absent from work, they are going to quit. All the concerns that they have had over a lifetime of working, of trying to do good work, suddenly they kind of become bad employees.

From the companies we heard from so far—Polaroid, IBM, Atlantic Richfield—they just refute those myths and say that is not true at all. We hope to see that this will continue to be true with some of the panels that we will put on today, and we want to enlighten all of our companies that they are really losing a tremendously valuable resource that they have in employees that are already trained, already performing successfully, and that there is no reason for them to lose this kind of resource when those employees wish to continue.

With those concerns in mind, we are here today to learn what we can about the older worker in Florida. I deeply appreciate the willingness of all of our witnesses to come before us this afternoon. I am looking forward with great interest to your testimony.

We are going to reverse our order just a little bit because I understand that part of our first panel is a little late. So we are going to start with the panel that we had listed as our second panel. I will ask Lester Ferguson, Bluette Jenkins, and Joe Gilarde, if they would, to come up now as a panel.

Mr. Ferguson, we understand that before your retirement you managed much of the Panama Canal installation, you were the first director of the area agency on aging for the Orlando area, you have been appointed by the Governor to the State advisory commission, and that you in that capacity and your other experience have a knowledge of all of the aging concerns in Orlando, and that you are also active in the senior corps of retired executives, SCORE. We are delighted to have you with us today and we are just going to ask you to lead off with any statement that you have. We will take a statement from each of you and then we will ask some questions after that.

STATEMENT OF LESTER A. FERGUSON, MAITLAND, FLA., MEMBER, STATE OF FLORIDA ADVISORY COMMISSION ON AGING

Mr. FERGUSON. Thank you. Senator, members of the staff, ladies and gentlemen, I wish to thank you for the opportunity to address you on this important subject. You will have witnesses appearing before you today who will stress the need for employment for senior citizens who need this employment to augment their income. Throughout this Nation, millions of senior citizens have seen their meager, fixed, low income further eroded by inflation in one form or another. In many cases, their already low standard of living has been further depressed until they are marginally existing. This group in themselves make a strong case for the need for providing employment on a part- or full-time basis for many of our elderly citizens.

I would like, however, to take my allocated time to bring to the attention of the committee another need, an emotional need which is just as demanding. If this need is not met, the results to the individual physically and mentally can be devastating. I am talking about the millions of senior citizens who have been forced into retirement just at the peak of their effectiveness even though they were provided with adequate pensions.

While many have found retirement all they had hoped it would be, countless others of them have an emotional need which is only served when their minds are challenged by a responsible job. Medical surveys have established that when the mind is idle, the body of the older person deteriorates. We also cannot ignore the potential impact on a marriage when after 30 to 40 years of going to work each day a healthy, mentally alert husband thrusts himself underfoot into the house his wife has been successfully operating for a similar number of years. I am sure you have heard what one wife said to her husband recently, "I married you for better or worse, John, but not for lunch." [Laughter.]

Some marriages have survived this transition, others have not. The point I am making is that there are mental and physical considerations as well as financial ones which impact when a man or woman aged 60 to 65 is forced into retirement. The scope of the problem on a national basis is of mounting concern, but the situation in Florida has already reached the critical stage.

We have in Florida the highest ratio of senior citizens to total population of any State, with approximately one out of four individuals in Florida being aged 60 or older. What can be done about it? The recent lifting of the mandatory retirement age has opened the door for the future. It will now be necessary to educate private industry and governmental agencies to understand that it is and can be cost effective to retain and/or employ older workers. This must be a reversal of the former psychology where they were moving to pension off their older workers to make room for younger employees who could be hired at lower salaries under the misguided notion that this was saving them money.

As your committee has already established, once the labor force created by the baby boom which followed World War II has matured, we will see a sharp decline in the labor pool among the youth of this Nation, and necessity will dictate the employment and retention of older workers. The opportunities for employing the elderly, even if taken to its ultimate potential, will not, in my judgment, match their growth in numbers.

Using the Bureau of Census figures, your committee has projected that 20 short years from now there will be 32 million persons in the United States aged 65 or older. If you use as your criterion age 60, which is the age the Older Americans Act talks to, it is quite likely the figure will be nearer 50 million.

Fortunately, there is another resource available, at least for those retirees with adequate pensions but who have a desire and a need to stay active. This is the world of volunteerism. I discovered this world the hard way. I retired in 1972 and found my sudden inactivity and lack of responsibility affecting me both mentally and physically. As a result, in 1974 I went back in the labor force as the director of the area agency of aging in east central Florida. In 1979, I retired again, but this time I was prepared.

As you indicated, I am now engaged as a volunteer in more activities than I can really handle. I will not recite them inasmuch as you covered them in your opening statement, Senator. I mention this only to indicate that there is a place and a need for the experience and knowledge which our senior citizens have acquired which could and should be shared to help others.

Again, I wish to thank you for the opportunity to appear before your committee, and I am prepared to answer any questions you have.

Senator CHILES. Thank you very much.

I have some questions I will put to each member of our panel, but we will hear the others before we do that.

Next, we will hear from Bluette Jenkins. Bluette is sort of an anomaly. She is really 30 years old and she poses as a senior citizen. She retired somehow as a State employee after being a social worker and a member of the silver haired legislature of the State of Florida. She is currently not working, but she has gone back to work on occasions to supplement her income, so I think she can tell us something

about that. She has been an employee of mine of sorts, in that she was one of our interns under our U.S. Senate intern program, and she is on the Governor's Advisory Council on Aging.

Bluette, we are delighted to have you with us today and look forward to hearing from you.

STATEMENT OF BLUETTE A. JENKINS, ORLANDO, FLA., CHAIRWOMAN, ORANGE COUNTY NUTRITION PROJECT ADVISORY COUNCIL

Mrs. JENKINS. Thank you. Senator Chiles, staff, ladies and gentlemen, I am most grateful to have an opportunity of saying my little speech because I think I do have some experience that may be helpful to the Senator and his committee in planning for seniors.

If older people are allowed to work, they will be able to provide more adequately for their basic needs such as food, clothing, shelter, and medical care. Pressure is lessened, tension reduced. They will have self-reliance, self-respect, dignity, a feeling of independence, and above all, security. As it is now, you have very little security when you get a check for about $135 a month, and now it has been increased just a little bit. You have your rent, which goes up every month, almost; if not, about every 6 months.

When we go to the store to buy food, we don't get as much now for our money as we once did. Therefore, we do need to supplement our social security by working, and those of us who are capable, willing, and physically able to do so should not be denied this wonderful opportunity.

Do you know the seniors of today built America? We built the schools, we built the sidewalks, we built the paving on the streets, we built everything. We have created and helped to make jobs for the younger people of today, and we don't want any young people to feel that because we are asking for a chance to work a little longer, we are going to take anything from them. Because of us, you have our great country, better opportunities, and a great place to live.

I think when you think about those things, you will put your arms around a senior citizen, you will also open up jobs, those of you who have employment to offer. Industry will say give them a chance. We didn't make the salaries of today. Therefore, when we retire, our retirement is based on that State retirement and everything.

I think social workers are one of the lowest paid, aside from nurses, on the State payroll. Therefore, you don't have as much coming in. Years ago, minorities would be the last to be hired and the first to be fired, so when we had anything, we tried to keep it forever and forever because we were so scared we were not ever going to get any more.

Nowadays that is different. You have an opportunity. If you can do the job, you can do it. There are many seniors who have never been out of their hometown and would like to take a trip but cannot afford it. I remember talking to a group of seniors down at Union Park. I said what I would like to do if I had the money, I would give you all a trip to Nassau or some little distance we could do. They said, "Wouldn't that be wonderful." I could see the bright, beautiful look that came on their faces, if they just had an opportunity of taking a trip.

I said, "Let's ask our Senators or Representatives and they can get a boat cheap." They said, "That would be a wonderful idea." But of course we never get around to doing it; that may be asking too much. I don't know. I said some day we might be able to give them a hint and maybe they can do something about it.

It is the seniors' desire to be kept in the mainstream of life. We can hold our own. A young person comes in to tell you how to prepare your food, how to do this or that. You sit up there laughing inside. "Child, I have been where you never will get." [Applause.]

Most of us do volunteer work. Why, even when I had a regular job, I did volunteer work in the evenings with the Red Cross in every kind of way. When they had storms—I have been up to Louisiana. In that terrible Hurricane Camille in Mississippi and when they had floods, I volunteered my time up there to help.

Now if my work as a volunteer is satisfactory, then why wouldn't it be good enough for some pay? Why not wages equal to any job that we may do? If we are doing the same type of work, then we should get the same type of pay that the regular workers in that industry at that job may get. I do know for a fact that there are seniors working on jobs as stenographers, as clerks and what have you, that do not get the salary that the regular workers who work there permanently get, but they classify us as seniors and say, "You are not supposed to get as much as we get." That is wrong and I would consider that discriminatory if I were working on a job, two of us doing the same thing and you get more than I get. That does not seem right to me.

How would you feel if you were a stenographer and somebody else is a stenographer or any other job, social worker, and they say: "Now you, because you are young, I am going to pay you $1,000 a month. You are old, you don't need that much, you should not eat that much, so I will give you $500." I have learned that. When I was a social worker we used to make budgets. My time—that was before social security came into being. We would allow the senior citizen who is 65 less money for food than we would young people, and I said, why? I said, "They eat more than young people." "Well, they are not supposed to." You cannot tell a man how much to eat; that is wrong. She said, "The reason young people get more is they use up more energy."

I said that is true, old people may not be running and playing, but they work pretty hard taking care of the grandchildren, doing the laundry, doing the cooking. You would be surprised to know what they do for grandchildren, and they need as much food as anybody else, and it costs the old person just as much to provide for his needs as the younger person. There is no difference between our needs. Human needs are human needs, and it takes just as much for one as it does for the other, because when you are an old lady with pretty gray hair, they don't say, "We are not going to charge you very much." They may charge a little bit more if they think you have a social security check. Everybody lives on us.

The next thing is the overall reliance on regressive taxes, especially property tax, by State and local governments The high rate of growth in Government expenditures have had, according to a study by the Federal Council on the Aging, a great impact on the elderly as compared to other groups. At the same time, escalating sales tax burdens

adversely affect the ability of the lower income elderly family unit to purchase a basic essential of life.

States should provide property tax relief to elderly homeowners of low and moderate income, and also discontinue tax on utilities, fuel, and so forth, for senior citizens. Efforts should be made to develop plans for employment of older workers pursuant to the provisions of the Older Americans Act and the Comprehensive Employment and Training Act.

Medicare should include eyeglasses, dentures, hearing aids, prescription drugs, and it appears to me that it is discriminatory to allow these items under medicaid and not under medicare. Require prescription prices in all pharmacies and advertisement in order to encourage price competition. Although it is not pertaining to employment, we need employment to take care of our doctor bills and the high price of medicine.

I went into the doctor's office recently and I guess I was there about 15 or 20 minutes and they didn't make an X-ray. I asked why and they said I didn't need it. They did a lot of other little things and a blood test. I don't mind the cardiogram because I wanted to be sure that my old ticker was working pretty good because I am still trying to find a job. The bill was $120. I said, "Oh, my Lord, I don't have $20." I have been going there about 20 years. He said, "Well, we trust you. You can just send us a check."

I said, "I don't know when that check will ever come."

He said, "Make it the first of the month."

I said, "But I have to buy food. How can I send you $120 at one time?"

He has been having me come every 4 months for a checkup. So then when I went into the office to tell the girl that I was not going to pay the charges, while I was in there, he called me through the door and he said, "Now instead of coming every 4 months, you can come every 6 months." Now, see, he had been having me come every 3 or 4 months. Now I have not got any money so I am not quite as sick as I used to be. [Laughter and applause.]

That is the way sometimes you have to do, is to say, well, I don't have this money. And, of course, most times we are straight about it, we tell the truth about it. But if you tell a little white one sometimes, it does not hurt too much to ask the Lord to forgive you.

Senator CHILES. How come you call that a white lie? [Laughter.]

Mrs. JENKINS. I am a potential diabetic, take all the blood tests, but they don't give me medication for it. They give me an X-ray all the time. I had said, "I am taking X-rays but now I am afraid I might take something from the X-ray, I am getting nervous about that, and you don't want me to get nervous." I don't get an X-ray every time I go because that is $25, $35 added to your bill. They don't care anything about it, whether you are a senior citizen, no one seems to care. You have to start speaking for yourself.

Then when you go in the drugstore. I think it would be helpful if a lot of prices would be posted because then you would say, "Well, now this drugstore charged x dollars, but I can go across the street and get it cheaper and don't get ripped off."

Last, I think we may have the program in Orlando but I am not sure about how well it has been operated. We may have it in the State,

and I am not sure, but stricter controls are consumer affairs. Also, we should have a fair trade practice.

Now we have a few senior citizens who had an old car and they traded in that old car for another used car and the one they traded in was stopping all the time and the one they bought stopped all the time, so they didn't make a good trade, and then they had to pay some extra money. If you don't pay, the credit won't be any good. The chamber of commerce, the credit bureau, somebody will write you all kinds of letters, to threaten you if you don't pay this bill by such and such a time, something is going to happen. I just put it in the wastebasket because you cannot get blood out of a turnip, so don't worry about it.

Escalating utilities rates, which is terrible, have become a burden on all low-income persons, particularly the elderly who must live on a low, fixed income. Budget stress frequently forces older persons to choose between the basic necessities of fuel, food, and medical care. You should encourage and permit public utilities to give lower utility rates to low-income users and prohibit discrimination against the elderly and other at-risk consumers during the winter months.

I read where somebody died because they were cold. They just froze to death because the utilities were cut off and they didn't have any heat. There should be a senior center where the elderly can go for any kind of information that they need.

Also, get assistance in filling out medicare forms. So often senior citizens do not know how to fill out those forms so they say, "Well, I am not going to be bothered," and they push them aside and pay the doctor to the best of their ability. But if they knew they have someplace to go and there was a paid worker there, they would not mind asking. You cannot ask volunteers to do much. Volunteers are fine, they are wonderful, but you cannot expect too much of a volunteer. But when you have a paid worker, you are not embarrassed and you don't feel bad about asking them to please help you.

How much little change the seniors might save if they had such a center to go to where there was someone there just specifically to take care of the seniors' needs so that they might be reimbursed for a part of their expenditures for medicine and doctor expenses. They will then have money to buy food and other things.

It is felt that seniors should be represented on all State and Federal regulatory boards, commissions, and agencies with regulatory power affecting the elderly. Listen, nobody knows what the elderly need as much as the elderly know themselves. I don't think there is anybody that can represent us better than we can ourselves.

We appreciate what others are trying to do for us and that they can be helpful in many ways to us. The representation should not be presently or previously associated with either and the people who are on these boards, the citizens that are on these boards, they should not have been presently or previously associated with either the regulatory bodies or the interests they regulate, and it should be open to the public. Senators, too, you know.

So we don't want anybody on there to represent seniors that have any interest at all in these sorts of things. Let them be free. Remember that older Americans' needs are no different from those of any other American.

Thank you. [Applause.]

Senator CHILES. Thank you, Bluette. I think you learned something when you went to Washington. You saw the Senate filibuster.

Mrs. JENKINS. I forgot to say he was my boss.

Senator CHILES. I hope Bob Graham does not hear I gave you a platform for Governor; he will be mad at me.

You mentioned a senior center. I think that Mark Thomas is here, as chairman of the Orange County Board of County Commissioners, or he was here. He was telling me that the commission has just purchased the building, the old school right up here, and they are going to make a senior center out of that. I am delighted to hear that. I think that is very good news.

Also we are delighted to have Clyde Fink, who is Senator Stone's district representative. We are delighted to have him. Senator Stone works on all of our elderly programs that we have.

Joe Gilarde is also one of our witnesses, and he is a vocational development specialist with the Orange County Citizens Advisory Council on Aging, Inc. He is retired from the milk industry in Pittsfield, Mass. After retiring, he came to Florida and went back to work for a bookkeeper for a drug and grocery chain, and he is still working for the local area agency, finding jobs for retirees. Day in and day out, he takes calls from local elderly persons who are not making ends meet and are trying to tell him why they need a job. I hope you spell that out for us. I think it is something we need for our record. If you will give us some of that information, we would be delighted to have that from you.

STATEMENT OF JOE GILARDE, ORLANDO, FLA., VOCATIONAL DEVELOPMENT SPECIALIST, ORANGE COUNTY CITIZENS ADVISORY COUNCIL ON AGING, INC.

Mr. GILARDE. Thank you, Senator. I see some of them out here in the room.

The things I have been listening to, of course I am not going to be as long as the two that were before me. I want to tell you a little bit about why retirees have to find employment to supplement their income. Those that retired on social security cannot afford the high cost of living. I am on the other end of the telephone every day, 5 days a week, and sometimes they call me at home. One of the most important things they tell me is they want a job.

The first thing they say is, "I am a senior citizen, I need help. I got to have help, I need money." So, of course, I have to listen. I have to listen to what they want to tell me. If you are not a good listener, you are not going to help. They confess, actually, more or less of their sins when they go to church so they tell you their life history and I listen. I listen to them. I think this is good for me and good for the citizens that are calling in.

One of the most important things I think that they tell me, and I think it is good for everyone that is in the room here, is the reason they want to go back to work to implement their social security. Rent is one of the most important things. Rents have gone up tremendously and they are being put out of their homes. They are being put out of their apartments. We hear this all the time, 5 days a week.

Utilities. I heard this. Water rates, along with some garbage collection. That might be a small thing. In some parts of the city, oil and gas for home heating. Of course, when winter time comes, you read probably in the paper, I was paying 39 cents a gallon for fuel oil and now it has gone up to $1 a gallon and maybe some of it is more. How can people afford to pay that when they don't have a job?

Telephones. Many of the phones have been disconnected. We have applications in our office where they have come in and applied for work. I tried to call them back for an appointment to come back in for a job that I had tried to find for them and the phones have been disconnected. Of course we use a card system. If I cannot get them, I will return the card after trying to place the call and find the phone has been disconnected. Actually they don't have the money to pay for a phone.

Insurance on automobiles. They had to sell their cars. Repairs on automobiles have gone up. Gasoline and oil, I cannot tell you any more than I can tell you of bus fares. They tell me that bus fares have gone up. Taxi fares have gone up. Those that don't have cars say they are not on the busline and they can't get on a bus so they have to call a cab. Cabs are expensive right now.

Then they want to tell me even postage. I can remember when stamps were 2 cents and now they have gone up to 15 cents and they expect it to go higher, maybe 20 cents.

All of these things are adding up for our senior citizens. Also, the people that are behind me here, too. They have to pay that bill.

Medicines, prescriptions. Medicare does not pay for prescriptions, and I know everyone in the room knows that. Health insurance policies, policies close out at the age of 65. My policy closed out at age 65. I never thought of it when I took it out when I was about 23 years old. When I reached the age of 65 they said no more, you are not covered any more. I never gave it a thought. I think there are many people in the room, and many people in the country, in the same predicament.

Then they tell me, too, that the upkeep of their homes, they cannot paint their homes, they cannot do any wallpapering, can't keep up the maintenance. That is one of the reasons, too, they have got to go out and find a job.

Some of them say, "I could work 40 hours a week." A man came in about 3 or 4 months ago. I believe I told one of the gentlemen that is here that he was 84 years old and just as spry as anyone here. He was 84 and he wanted a job, needed a job, had to work. And believe me, I think he could work.

I would say this, too, that many people are too proud to say that they have to go back to work, and I think that is probably some of our problems. They don't want to go on welfare. They want a job and they want to work. I say in one case I had, one gentleman who was 68 years old and his wife was 61, and I can remember this very, very distinctly. She had an operation and he didn't have any pension and he had used up all his money to pay her doctor's bills. They used up all the savings. His social security didn't pay enough of that and that was one of the reasons he came in and wanted a job and needed a job. He said, "I can do anything."

Now there are many people that come into our office and say that, "I can do anything." Well, of course, we tell them politely, anything

is not a job. They have to tell us what they can do best. So we try to explain to them. Many of them, in their past history, probably have not made out an application like I have in over 30 years, so we have to sit down with them and show them how for our record.

I would like to say this, too, that many of the senior older citizens that we have placed on jobs that have been draftsmen, engineers, a lot of the companies will place them and will want them for the simple reason they have had the experience, not because we have some younger fellows standing beside me, but they have the experience, and they would want them over a younger person that is in that category.

Now draftsmen and engineers are two of the largest. I believe in my category we have found that we have placed them on jobs. To me, I think a senior citizen can do just as well as any other person that is not up to their age.

So, Senator Chiles, I want to thank you for letting me come on this panel today. If there are any questions, I would be glad to answer them.

Senator CHILES. Joe, could you give me some numbers. What would you say would be the average number of calls that you or your office would get a week from people that are senior citizens who are seeking employment, give us some way of determining what the need is out there. What is the delay?

Mr. GILARDE. Our assistant director is here in the room.

Last month, we placed 87 and we had 3 days, of course, that we didn't work during the month of June. We placed 87. We found 87 jobs.

Senator CHILES. For senior citizens?

Mr. GILARDE. For senior citizens.

Senator CHILES. How many requests would you say you had?

Mr. GILARDE. Well, I would say probably over 100 maybe. I would say this, too. There are some that once they come in and we find a job for them, they feel as though they cannot do it. There are some that way.

Senator CHILES. Well, what are the obstacles that you run into in trying to find jobs for people and trying to place people?

Mr. GILARDE. Well, sometimes we will ask them, does the age barrier make a difference, and some will say no. However, when we do send out an older person, they will come back and say, "We didn't get the job." It all depends on where they go. They say they have already hired a person. We will make a call before this particular person goes out on the job. We will say, "We are sending out Joe Brown; he is coming now for an interview." He will come back and say, "They didn't hire me; they already placed somebody." Of course, we cannot do anything about that. It is up to their own personal self; they have to go out and sell themselves. At our age we had to sell ourselves, and we still have to at our age, to get this particular job that we are trying to get.

Senator CHILES. You said you placed 87. That sounds like a pretty good number, especially if you thought you had just over some 100 or so applicants for jobs. What has been your experience with the people that you have actually placed? Do they tend to work out or are they there just for a week and then they are gone?

Mr. GILARDE. No, I say 98 percent of them worked out, Senator.

Senator CHILES. What have you heard back from the companies where you placed someone?

Mr. GILARDE. I forget to mention this, what I do, and I think our other girls in the office do too.

Senator CHILES. You follow up?

Mr. GILARDE. I certainly do, and we follow back up on how Joe Brown is doing. Very good. Sometimes they will say, "Well, he is not as fast," or "He is doing real, real good. He is experienced, and that is the kind of man or the kind of woman we wanted." We have an electronic park up in Fern Park and they don't care how old they are, if they have experience. If they are experienced, we can place them. They have to tell us what they do best, and once they tell us, we can place them. If they don't tell us the truth to begin with, once they go out they are on their own.

Senator CHILES. Are you ever able to get any training, to help older people get training where they need some training, in order to be able to change careers or to change jobs?

Mr. GILARDE. You mean if they were to get another type job?

Senator CHILES. Yes, sir.

Mr. GILARDE. I had an instance at one of the new condominiums here in Orlando. They wanted a secretary/bookkeeper, and this particular man that was in charge said, "If this particular person you send over does not understand the bookkeeping 100 percent, we will train him." That was just the other day.

Senator CHILES. Give me some idea of the type of jobs, primarily, that you are placing people in. You mentioned the draftsmanship. Give me some other types of categories that you place people in.

Mr. GILARDE. Driver, receptionist, secretaries, salesmen, salespeople. We have a lot of salespeople that are needed in this area and hotel people, maids, companions.

Senator CHILES. So it is a pretty wide range.

Mr. GILARDE. Yes; it certainly is. We had a lot of calls for live-ins, people that need people to live in. Older people want an older person to live in with them. We have two particular people in our office that take care of that. We have lots of those. We have a variety of jobs and that is not just one or two. We have a variety of jobs. We have two of the colleges that send us jobs. The Valentia College and the University of Central Florida send me two listings every week. I posted them on the board and everyone that comes in that I think would be interested, I take them to the board and show them that. Then we have some of the motels and hotels that want maids, housekeepers, bookkeepers, or desk clerks, such things as that.

Senator CHILES. And they will hire senior citizens?

Mr. GILARDE. That is right. You know, we never know. They even had one, they wanted a furrier; that is, one that makes up an animal, and that was an odd job I had. I forget what the name of it was, but it is quite interesting.

Senator CHILES. Did you find one? Did you fill that?

Mr. GILARDE. No; I could not find one for that.

What I usually do is call back and say I could not find a person. It is best to call back and say I can.

Mrs. JENKINS. May I ask a question?

Senator CHILES. Yes.

Mrs. JENKINS. How many jobs and what types of jobs are available? What do they pay them? A lot of times people want seniors, but they don't want to pay you.

Mr. GILARDE. The minimum wage is $3.10 in Florida.

Mrs. JENKINS. What about the stenographer?

Mr. GILARDE. No; not a stenographer. They work 5 days a week, 3 days a week.

Mrs. JENKINS. It is for domestic, perhaps, or a regular person, $3.10 an hour for so many employees. I really have not heard and I want to know about your place. I had not heard the nice things that you are saying about job opportunities. For a long while, I was with the Information Referral Center here in Orlando since I retired. We had calls for jobs and we have called around most of the employment places a senior center where you were supposed to give jobs to senior citizens, and also the other office was central, but they never had anything available when I would call, so I just wonder how all these jobs jumped up.

Mr. GILARDE. We are more or less a satellite employment agency of Winter Park. We get the film from Tallahassee. Pine Hill and Pine Castle have the same. We have people that call us now that they know what we are doing. I never knew we had the jobs until I went there. Word of mouth is important.

Senator CHILES. Hopefully, from this meeting there will be more of a word out, and we hope you will spread it, and other people.

We have today Charlie Carroll and Charlie Peers, both of AARP. Charlie Peers is from Orlando. I wonder if they will just stand up a minute. They were here. Both of these gentlemen have been finding jobs for a good long time for seniors, too. I believe this is a program that AARP has sponsored, and we are delighted with the good work that they do in this area also.

I thank you all very much for your testimony today. I think it is very helpful to us.

Mr. GILARDE. Thank you.

Senator CHILES. We will go now to our panel No. 1: George Tschudi, who is a personnel manager with Grumman Aerospace Corp.; Dr. Jeffery Solomon, associate director of the Miami Jewish Home and Hospital for the Aged; and Dorothy Bates, director of the Douglas Gardens Ambulatory Health Center in Miami.

We will take just a minute as we are setting this panel up.

[Whereupon, a short recess was taken.]

Senator CHILES. We are going to start with George Tschudi, who is the personnel manager of Grumman Aerospace Corp. We ask you to lead off and tell us something about your company and its policies in regard to older workers.

STATEMENT OF GEORGE E. TSCHUDI, PERSONNEL MANAGER, GRUMMAN AEROSPACE CORP., STUART, FLA.

Mr. TSCHUDI. Thank you, Senator Chiles.

Ladies and gentlemen, Grumman Aerospace Corp. is an aerospace manufacturer with its principal facilities located at Bethpage, Long Island, N.Y., employing approximately 20,000 people. The company has several smaller manufacturing facilities located in Maryland, Georgia, and Florida. The largest of these is the Stuart, Fla., facility, where 900 people are employed.

For a number of years, we have been concerned with the subtle discrimination that has been waged against the largest of the so-called minority groups, the middle-aged and older worker between the ages of 40 and 70. In 1977, our corporate director of personnel had given testimony to the U.S. Senate Labor Subcommittee and to the House of Representatives Select Committee on Aging, Subcommittee on Retirement Income and Employment, pertaining to the Age Discrimination Employment Act and his recommended revision thereto. It is something that we had all been concerned about.

With this concept of affirmative action, a concept that went beyond the negativism of antidiscrimination legislation, came the beginning of a positive approach to the problem of discrimination. Initially directed toward minorities and in later years extended to include women, handicapped, and veterans, tremendous strides have been made by these groups across the broad EEO–1 job categories.

While the job of affirmative action has not been completed for these groups, significant progress has been made in recent years. Compared to the effective legislation pertaining to these groups, the Age Discrimination Employment Act of 1967 has been somewhat inadequate in protecting the needs of the middle-aged and older worker. Its impact on industry has been minimal. The problems of the middle-aged worker can be resolved by industry on a voluntary basis by establishing some of the following programs:

Following a commitment from top management, promulgate a positive policy insuring a fair shake for employees between the ages of 40 and 70.

Make the policy statement known to all employees and mandate that the subject be a part of all supervisory development training programs in the company.

Review all company personnel policies, practices, and benefits to determine if there are built-in prejudices not consistent with fair treatment. As a minimum, the review should include hiring, promotion, and upgrading, career counseling, performance appraisal and training, compensation, terminations, retirement, pension, long-term disability, life insurance and other benefit programs, and recreational and social programs.

Based on the minimal available demographic data provided by the Department of Labor, perform a work force composition utilization analysis. Attached is sample work force analysis by age—1979. The Department of Labor Employment and Earnings Report, April 1979, chart A–3, page 24, indicates that 40 percent of the national work force is age 40 and over; 31 percent of the work force is age 45 and over. Although the Age Discrimination in Employment Act provides protection for employees between the ages of 40 and 70, most of the difficulties for employees occur at age 45. The work force analysis of the company should be done both for age 40 and older and 45 and older.

PERCENT OF TOTAL COMPANY POPULATION

	All	Age less than 40	Age 40 and older
Officials and managers	13.59	2.05	11.54
Professionals	34.18	10.06	24.12
Technicians	9.08	2.93	6.15
Office clerical	9.57	4.23	5.34
Craftsworkers	18.73	6.96	11.77
Operatives	11.38	4.58	6.80
Laborers	.59	.31	.28
Service workers	2.88	.87	2.01
Total	100	31.29	68.01

PERCENT OF COMPANY EMPLOYEES 40 OR OLDER, BY DEPARTMENT OF LABOR, OFFICE OF FEDERAL CONTRACT COMPLIANCE CATEGORY (JANUARY 1979)

Category	Total at company	Total age 40 or more	Percent of category total	Expected number of national average (45 percent)	Percent above or below national average
Officials and managers	2,864	2,279	84.91	1,208	+40
Professionals	6,750	4,764	70.58	3,037	+26
Technicians	1,794	1,215	67.73	807	+23
Office and clerical	1,891	1,055	55.79	851	+11
Craftsworkers	3,700	2,325	62.84	1,665	+18
Operatives	2,247	1,343	59.77	1,011	+15
Laborers	117	55	47.01	53	+2
Service workers	569	397	69.77	256	+25
Total	19,752	13,433	68	8,888	

PERCENT OF COMPANY EMPLOYEES 45 OR OLDER BY EEO–1 CATEGORIES[1]

	1973		1975		1977		1979
Officials and managers	54	+7	61	+2	63	+4	67
Professionals	44	+7	51	+3	54	+2	56
Technicians	49	+3	52	+1	53	+2	55
Office and clerical	55	−4	51	(2)	51	−3	48
Craftsworkers (skilled)	55	−4	51	+2	53	(2)	53
Operatives (semiskilled)	60	−9	51	+3	54	−1	53
Laborers (unskilled)	55	−18	37	+1	38	(2)	38
Service workers	71	−6	65	−2	63	−2	61
Total	52.5	−0.5	52	+3	55	+1	56

[1] National work force: 31 percent are 45 yr of age or older.
[2] No change.

Source: Department of Labor Employment and Earnings (April 1979).

GUIDELINES FOR ANALYSIS OF OLDER WORKERS IN COMPANY WORK FORCE

Work force composition: Utilization analysis.
Hiring: Policies and practices, statistical analysis and comparison, job redesign.
Terminations: Analysis of layoffs, discharges, and so forth.
Training programs: After hours courses, retraining programs, supervisory and professional development.
Promotions and transfers: Upgradings, promotion to supervisory positions, promotion within supervisory positions, transfer to increased responsibilities.
Recreation and social programs.
Retirement policies.

The company's percent of total employees should be measured against the national work force availability. In addition, the same analysis should be done by the EEO–1 job categories. If underutilization is significant in any category, a further analysis should be performed to determine if one or more major departments within the company is the cause of the underutilization. A sampling of particular skills within the company should be subjected to the same utilization analysis. Trends from year to year should also be analyzed.

The analysis should be done annually for new hires, terminations, promotions, training, raises, recreational programs, and so forth, to complete the task.

Special attention should be paid to an analysis of layoffs and discharges by age, after-hours training programs, supervisory and professional development programs, promotions into supervisory positions and within levels of supervisory positions.

In most middle to large size companies, most of the data required to do the utilization analysis is contained within the computer; consequently, the analysis is relatively simple and is neither particularly expensive nor time-consuming, especially after the initial program is designed.

Finally, industry can insure that the proper mechanism is set up within the company to insure that any employee with an allegation of age discrimination can have his case reviewed objectively and that a fair solution is provided.

We feel that industry must consider setting up a voluntary program within companies before a mandated program is imposed upon them. Each company, at minimum, must, with a commitment from top management, provide all employees with a written policy pertaining to the older worker. A thorough review of all personnel policies should be made. A work force utilization analysis is the most practical way for a company to insure that discrimination is not taking place within the organization. Finally, a mechanism for review of compliants of discrimination should be set up to insure the resolution of employee problems.

On the subject of retired employees, we have also found that it is a very useful practice to employ retired employees, not only retired from our own company, but employees who have been retired from other companies, particularly in Florida, where there is a large number of them that have come to learn that they do not survive on their present income, who find it necessary to go back into the work force. We find it a little bit easier to maintain contact with our own retirees because we have company sponsored retiree clubs throughout the State, or in fact everywhere where the company has business, but particularly in Florida we have something like three or four of these clubs.

Each time we have a need for specific skills, the club presidents are advised and they advertise and bring us to the people's attention at the various club functions, and that way we keep a pretty good skill inventory of who is available, who is interested. Our biggest problem is trying to get more of them to try to come back into the work force, particularly those first 2 or 3 years they are retired.

That essentially concludes my statement.

Senator CHILES. So then you actively and aggressively seek to rehire retired employees, especially when you are looking for specific skills?

Mr. TSCHUDI. That is correct.

Senator CHILES. We have heard so long that when people reach 65 they become accident prone, that the incidents of accidents are going to be much higher, and therefore your insurance premiums are going to be higher, and you cannot afford to take the risks.

Mr. TSCHUDI. We have not had any of those experiences at all, Senator.

Senator CHILES. Those have not just proved out?

Mr. TSCHUDI. Yes. You probably have to go into the age group of 90 and higher before you realize that kind of statistic.

Senator CHILES. I hear people disagreeing with that in the audience.

What about some of the other myths that we have had, and that really almost became truisms, because they were repeated so often? What about the myth that absenteeism would grow markedly and that older workers would be more prone to being sick or ill?

Mr. TSCHUDI. Our retired employee that comes back to work has consistently a better attendance record than our regular employees.

Senator CHILES. The other thing that we have heard is that their productivity makes a marked drop, and that their ability to retain information or knowledge, or to learn anything new is affected. What about that? Is it true that you cannot teach an old dog new tricks?

Mr. TSCHUDI. That is absolutely incorrect. We have had training sessions where we have put retired people into new areas because we didn't have exactly what they had done before available at the time. It required a little bit of training. Some of these people have done as well or better than some of the people who were younger and being trained for that same task.

Senator CHILES. So what Grumman has really found out, in addition to wanting to be a good citizen, it has been good corporate management, and it has been helpful on the bottom line to retain employees for a longer period of time and to rehire retired employees.

Mr. TSCHUDI. That is correct; yes, sir.

Senator CHILES. Well, that is very useful and helpful information.

Let me ask you this. What Grumman's experience has been seems to be the same experience that Polaroid has had, Atlantic Richfield has had, and IBM has had, and to date all of the companies that we have been able to talk to that have had this kind of policy. How do we get that word out to all of the other corporate brothers and companies that are still afraid of the new law which says that you cannot mandatorily retire people at 65? How do we tell them that this is not something that they should be frightened about, that this is something that is good business to extend their work force into this age?

Mr. TSCHUDI. I think it is something that just has evolved. As this goes on and becomes mandatory, age 70 retirement becomes something that they become more familiar with and have more experience with and people come to realize that it is not a problem of the company.

Senator CHILES. Give me some idea of some of the skills for which Grumman is using people above 65. I mean, are you using them in some of your highly skilled areas?

Mr. TSCHUDI. Almost all. A large percentage of them are engineering types. We have several in the machine shop, skilled craftsmen that are very difficult to come by. We have right now two in particular that are retired and have come off retirement and have come back to work, one on a full-time basis and one on a part-time basis. By part time, I don't mean just a couple of hours a day or a couple of days a week. He wants to work for only 3 months.

Senator CHILES. Has Grumman tried to accommodate and provide flexible part-time work? Have you felt that that has been helpful to you?

Mr. TSCHUDI. We have not at the present time done anything less than 8 hours a day.

Senator CHILES. I see.

Mr. TSCHUDI. We are discussing it. We may find that it will be to our advantage to do that. It will open the door to additional people at the present time who are not interested because they will not work 8 hours a day.

Senator CHILES. It is interesting, because many of the other corporations have told us that they have done that, and it has worked out very much to their advantage. They found people that want to work 5 hours a day, and they are finding that the work they are getting out of that 5 hours is basically what they get out of an 8-hour day, so it has worked to their advantage to have a flexible work schedule.

Mr. TSCHUDI. We are reviewing it.

Senator CHILES. We thank you very much for your testimony. It is very interesting. It follows what we have heard from these other corporations. So you are employing Florida citizens that are retired, in Stuart and at your plants, where they have the skills that you are looking for?

Mr. TSCHUDI. That is correct.

Senator CHILES. How do you get around some of the problems you have in regard to your own pension? These people are already receiving their pension; they probably don't want to give that up. As I understand it, you can't get both a pension and a paycheck at the same time.

Mr. TSCHUDI. In most cases the people that we bring back, we bring back under the job shop setup, whereby they are actually employees of some other company being paid by the other company but performing work for us at our facility.

Senator CHILES. What you are saying is you enter into a contract with another company to furnish certain employees, and that is the way that you get around the problem of pensions.

Mr. TSCHUDI. That is right. They still get their Grumman pension on a regular basis and they are, of course, free agents to go to work for any other company they want. This is a job shop that provides a service.

Senator CHILES. Dr. Solomon, associate director of the Miami Jewish Home and Hospital for the Aged at Douglas Gardens. I have had a chance to visit your facility and know that it is one of the finest homes that is in the area. Tell me what your experience has been, if you will.

Dorothy, we will have you chime in on this, too.

STATEMENT OF JEFFREY R. SOLOMON, PH. D., MIAMI, FLA., ASSOCIATE DIRECTOR, MIAMI JEWISH HOME AND HOSPITAL FOR THE AGED AT DOUGLAS GARDENS

Dr. SOLOMON. Thank you, Mr. Chairman.

Normally, we begin with a nice esoteric literature review and bore you to tears, but I think we can dispense with that and talk specifically about our experience in employing older persons, as well as the administration of title V of the Older Americans Act.

As you know, we moved from being a nursing home hospital to being a community care setting providing services to 15,000 people in Miami Beach through day care centers, mental health centers, a health center, and a variety of other projects. Presently, we have a staff of 600 persons and over 200 volunteers with an annual budget of $10 million.

We have found some common threads in the delivery of our services, which made us rethink the way we deliver them. The first thread was, no matter how we evaluated many of the older people we were seeing, many of them wanted to work, mostly on a part-time basis. I will get back to this in a moment.

The second thread was, in treating the impaired elder, a population that is at risk, the most common diagnosis is depressive neurosis. There is a typical pattern in that diagnosis, and that is that as a prerequisite of it is a feeling of loss. A high proportion of the persons that were experiencing the sense of loss that emerged was the loss of a work-derived income and loss of self-esteem in the work role and the change in role from worker to retiree.

Now this clearly is in a minority of persons. The majority of elderly function well. They happen to be retired. They don't need the assistance of mental health agencies. But for a significant number of people, the resulting poverty and inability to obtain supplemental income have blended into a factor that created the kinds of disease that we would see. Unfortunately, the highest rate of suicide in this country is in Miami Beach, and it is one that we have to be very concerned with. We responded to it in some interesting ways in our community mental health center. We placed a vocational rehabilitation counselor in the center to get people back into the work force.

We also are doing a great deal of sexual counseling with elderly men, and we find that sexual problems have a high rate of correlation between the loss of work and the emergence of sexual problems. In looking at these issues, our first attempt at developing an ecological kind of approach in program design was to obtain a small CETA grant to train what are called reality orientation techniques. These are orientation services for confused older persons. The only different thing about our application is we said we would hire only people over the age of 55, which CETA was surprised to see.

It is 4 years since that program started. It was a 1-year program. I am pleased to say that of the five people in the program, three continue to be in our employ as regular salaried staff members.

Whether through the retention of a valued employee who grows older or hiring an older worker, we find that with minimal adaptation, it is both to our benefit as an employer as well as to the benefit

of the employee. What are some of these minor modifications that we make? Let me give you a couple of examples.

A nurse's aide for example, who was with us for 12 years, was having increasing difficulty with the physical rigors of caring for the patients, turning them, bathing them. She had cataracts and her vision was not what it once was. Yet she was a valued employee. She was a role model to younger employees. She had a terrific attitude. We offered her a different position in one of the day care centers where the physical rigors were less.

Similarly, with another such nurse's aide, we took a position in the medical records department which is much more sedentary. The first thing we try to do is maintain flexibility to move elderly employees to jobs that they are more suitable for so that we don't need to lose them.

The second factor relates to productivity. The work ethic as we once knew it, I think, is undergoing radical change. This is not the case when we take a look at the mind-sets of the older worker. You have already talked about the rate of attendance and punctuality. There is another important factor. The work ethic is perhaps one that has not changed within the older worker. The work ethic is still there and the productivity you talked about we are finding to be very true.

Senator CHILES. You mean that pride of wanting to do a day's work for a day's wages.

Dr. SOLOMON. Yes; absolutely, and not looking at the clock, and if you miss a coffee break, it is not the greatest tragedy in the world. There is a sense of accomplishment.

In 1976, the State of Florida established the community care demonstration projects. We were one of them 3 years ago. We chose to take a 65-year-old nursing supervisor and make her director of the center. She is now 68 and she turned that center into something that has become a model for the State, and it is because she has as much energy as she has that this is happening. She would be here today but, this is no joke, she has to take care of her mother who, unfortunately, is ill.

In terms of some specific kinds of recommendations, we have been having community forums in preparation for the White House Conference on Aging. There are two interesting factors that have occurred. The first is that part-time employment comes out as a need every time a group of elderly people get together to discuss the issues. There are some specific recommendations that have been made, including the establishment of a central registry, the creation of Federal job placement offices exclusively for areas of large elderly populations, and the provision of more information about volunteer programs with the possible payment of incidental expenses.

Clearly, there has been a great deal of discrimination, as was pointed out in the Civil Rights Commission report in 1967. Programs such as title V of the Older Americans Act serve as models in recognizing the role transition in old age because they do recognize that many elderly persons can use retraining and would prefer part-time positions.

We have been administering some 35 title V slots in conjunction with the State of Florida and the American Association of Retired Persons, and I would just like to stop a moment and commend Charles Carroll and Bill May, for it has been a major task. There are some flaws in the title V program design around the elderly person.

First is the income of the person which establishes a valid priority, but there are many people whose incomes are slightly over that who could also benefit from title V.

The second is the reality of today's economy, and unless we recognize unemployment in general, as well as the cutbacks specifically in the human services funding, we are perhaps creating unfulfilling expectations for the title V project in terms of ultimate job placement.

Finally, we need to recognize the reality that many older persons would prefer part-time employment to full-time employment, and there are necessary adaptations that need to be made within industry before that can happen.

I just want to close by telling something that happened yesterday morning. It is so typical of what we don't think about when we think about older people. We have a large campus, as you know, Mr. Chairman. I was walking through it and saw a man waiting for our local tram transportation system, a man 87 years old and who has Lou Gehrig's disease, very ill and in a wheelchair. I am afraid he is going to die sometime this year. He is terminally ill, but he has a certain attitude that is marvelous. I stopped and we chatted for a moment. He said, "You know, you better go on because I really don't have the time to talk to you." He spends all his days in arts and crafts hooking rugs. He said, "I have to get to work. I have to get to work on time and it is what keeps me going." I think that is probably what it is all about for many old persons.

Senator CHILES. Thank you. Your prepared statement will be entered into the record at this point.

[The prepared statement of Dr. Solomon follows:]

PREPARED STATEMENT OF DR. JEFFREY R. SOLOMON

Mr. Chairman, members of the committee, first, let me take this opportunity to thank you for the opportunity to testify before you on a subject of great importance in both the economic and human service spheres of our Nation: that of work for the older adult. Mr. Chairman, I bring greetings from members of our board of directors, who are most appreciative of the efforts of your committee in behalf of the aged in a variety of important areas impacting upon the quality of life of the older citizen. Accompanying me today is Dorothy Bates, director of the Douglas Gardens Ambulatory Health Center. I would like to reserve a moment for a more complete introduction of Mrs. Bates later in the testimony.

In consultations with committee staff, I was made aware of some of the previous testimony heard on the subject. Consequently, our testimony will dispense with an esoteric review of the literature and the current state of the art in research on the older worker. Testimony will be limited to some of the experiences of the Miami Jewish Home and Hospital for the Aged as an employer of older persons, as well as a site under title V of the Older Americans Act.

Over the past several years, the Miami Jewish Home and Hospital for the Aged has made a transition from providing quality long-term care for residents in its facility to becoming a comprehensive care system with services to 376 persons in the nursing home-hospital setting and some 14,000 persons in the community through the operation of two day care centers, a community mental health center serving all ages in Miami Beach, an outpatient geriatric mental health center in Miami, an ambulatory health center, an Administration on Aging funded model project called SWAT (services workers action team) which delivers comprehensive health and social services to an at-risk population in high density retirement housing, and a variety of research, training, and planning projects. Six hundred staff members and over two hundred volunteers deliver these services within the context of an annual budget of almost $10 million.

There are several points based on our experience over the past years that would be of interest to your committee.

In delivering these services, we have found a common thread with regard to a significant interest in ongoing employment by a large number of older persons. This

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is identified in several ways. In programs like SWAT project which is totally outreach and does define a population geographically, participants would express their desire for vocational experience either through the formal needs assessment tool or through discussions with SWAT team members. In our mental health settings, we would see a population which is at risk: one in which there were serious manifestations of emotional difficulty. A typical pattern emerged among the most common diagnostic category, that of depression. One should note that a prerequisite of a depressive state is a sense of loss. For a high proportion of impaired older persons, a major contributant to the sense of loss that emerged was the loss of work-derived income and the loss of self-esteem in the role change from worker to retiree. It is important to note that most older persons function well in retirement, do not need the assistance of mental health agencies, and generally have a strong sense of life satisfaction. However, for a significant number, the combination of forced work stoppage, resulting poverty, and inability to obtain supplemental employment synergistically blend into causal factors for distress, and in some cases, disability.

It was looking at these issues, along with the vast resources that the elderly worker represents in our community, that we attempted to develop an ecological approach in program design for the older person. We received a very small CETA grant to train reality orientation technicians. Reality orientation is a program by which a trained paraprofessional works with brain impaired older persons to attempt to maintain communication and memory patterns within that disability. There was one unusual component to our CETA application. We committed ourselves to hiring trainees who were over the age of 55. I am pleased to report that the program proved to be most successful. The five trainees provided a valuable community service, while at the same time obtaining new skills as mental health peer counsellors. Today, 4 years later, three of the five remain in our employ as regular salaried staff members.

Whether through the retention of a valued employee who grows older or hiring an older worker, we have found that with only minimal adaptation, a successful employment relationship can be maintained to the benefit of both employer and employee. What are some of these modifications? Let me give two examples. Mrs. C. was a nurse's aide in the nursing home component of Douglas Gardens for some 12 years. In her 60's, she was having increasing difficulty with the physical rigors of lifting and turning patients for bathing, treatments, etc. She also was developing cataracts, affecting her visual capacity. Yet, she was a valued employee whose attendance and punctuality record were most commendable; whose attitude was positive, and who served as a role model to younger employees within her unit. By taking the first opportunity to offer her a program aide's position in one of our day care centers, we salvaged what appeared to be a mutually distressing end to a long standing employment relationship. In a similar situation, as physical difficulties became inhibiting, another nursing assistant was offered and accepted a position as a medical record aide which is a more sedentary role. Here again, the employer's flexibility in reaching into its organization for older workers who wish to maintain an active employment status, serves both the employer and the employee interest.

In looking at our organization, we have numerous examples of older workers who have been hired, promoted, and retained. Whether in the accounting or social service departments, on the SWAT team or in the mental health center, our experience with the older worker is one which constantly reinforces the correctness of the policies which led to these experiences. Attendance, punctuality, and performance are yardsticks which stand up well to any measurements imposed when looking at the older worker as compared to the general population.

An additional factor relates to one of more significance in general: that of productivity. The work ethic, as we once knew it, is undergoing radical change within our changing society. However, we experience that the older worker has not internalized these work ethnic changes and his/her productivity appears as high as it has ever been. To a significant degree the institutional mind-sets must be revised in order to take advantage of the motivated older worker. For example, in her mid-60's, a valued employee had no plans to retire. It was a time at which we were beginning the Community Care Adult Day Center, a medically oriented day care program which is serving as a model within Florida's community care system. This employee, a nursing supervisor for 11 years, seemed ideal in directing a program which is aimed at keeping people out of nursing homes. Her experience in working with nursing home residents could well serve in keeping people out of institutional settings. Today, at the age of 68, she has demonstrated 3 years of

outstanding performance as director of this day center. We look forward to the continuation of her outstanding performance for many years to come.

Government response to the older worker could well be improved. Certainly, legislation affecting mandatory retirement is a major step forward in this field. However, those factors reported upon by the U.S. Commission on Civil Rights in their age discrimination study of 1977 are most disturbing. Age distribution in programs such as CETA, vocational rehabilitation and other manpower training titles appears to exist.

Programs such as title V of the Older Americans Act, the senior community service employment project, serve as an excellent model in recognizing role transition and old age. Many older persons do not wish to continue to work full time. These programs provide retraining within a part time context. In administering some 35 title V slots in conjunction with the State of Florida, Program Office on Aging and Adult Services and one of the national contractors of the Senior Community Service Employment project, we are cognizant of the program's worth. There are, however, several inherent flaws within the program design. First, the income limitation, although demonstrating an appropriate priority, serves to limit the eligibility of many persons in need of such training services. Second, the realities of increasing unemployment in general, cutbacks in human service funding, and the generally unstable economy result in the probability of unfulfilled expectations from this kind of program. It is important that we maintain a careful awareness of our expectations in light of macroeconomic conditions.

At this time I would like to introduce Dorothy Bates, who archetypically represents the subject matter of these hearings. Mrs. Bates, a registered nurse for many years, was the assistant director of nursing of our inpatient facility. In 1976 she was promoted to the director of nurses position. Two and a half years ago, at age 59, Mrs. Bates decided that she wished to become a geriatric nurse practitioner. This requires a year's full-time training in one of several special programs throughout the Nation. The University of Miami operates such a program. I recall sitting with Mrs. Bates while waiting for word about her application to the University of Miami and discussing with her, and getting informal indications from the university, about the sense of institutional ageism that exists within educational settings. Would the university reject Mrs. Bates because of her age? I am pleased to report that they did not. Mrs. Bates successfully completed the program and returned to the employ of the Miami Jewish Home and Hospital for the Aged. She was ready for new challenges. As an employer, we were ready to give them to her. Mrs. Bates is presently the director of the Douglas Gardens Ambulatory Health Center, in which she is responsible for the delivery of primary health services to over 700 aged individuals, through both a nurse practitioner staff and 13 medical specialties.

In closing, I would like to reemphasize the importance of work to the elder person by sharing a vignette that occurred yesterday morning. In walking through our campus, I came across one of our residents who suffers from Lou Gehrig's disease, is most impaired, and does not present a clinically bright future. He was waiting for our tram to transport him to the occupational therapy, arts and crafts area, where he spends much of his day hooking rugs. We chatted for a moment then he said, "You know, I would like to continue to talk to you but I got to get going. You know how it is. I have to get to work. It's what keeps me going."

Thank you.

Senator CHILES. From the point of view of a nonprofit employer who certainly has to be concerned about costs, do you see hiring older persons as more expensive, or is it less expensive, or is there no difference?

Dr. SOLOMON. There is no significant difference in terms of expense per se, where we see it, and one of the things that the age of computers has done for us is allow us to get much more involved in management information systems and knowing what the productivity of our staff is. What we see is a higher rate of productivity. We are getting more bang for the buck in what we are paying with the older person than with the younger person.

Senator CHILES. So you are getting more productivity?

Dr. SOLOMON. Yes. Another factor, and Mrs. Bates can talk about this as well, is that in the human services, where we are dealing primarily with the older population, the older employee gets to work more quickly with the older client than a younger employee.

Senator CHILES. Knows how to relate better.

Dr. SOLOMON. Yes. Clients say, "You are as young as my granddaughter," which is what most younger employees have to work through.

Senator CHILES. Mrs. Bates?

STATEMENT OF DOROTHY E. BATES, DIRECTOR, DOUGLAS GARDENS AMBULATORY HEALTH CENTER, MIAMI, FLA.

Mrs. BATES. I would like to tell you a little bit about myself.

Senator CHILES. I think that would be very interesting for us.

Mrs. BATES. I have been in geriatrics for over 25 years, almost 30 years. I really don't know what kept me in it to begin with. It was pretty depressing with the state of the nursing homes in that area, but I have stayed with it and I just love dealing with this age group, and as you can see from my face, I am reaching there also.

I was the assistant director at the Miami Jewish Home and Hospital, where Dr. Solomon also comes from, and then I became director of nursing, but because of the additional paperwork, and I am sure some of Uncle Sam's representatives today, paperwork and paperwork and paperwork taking you away from the client, I said I just have to do something; I want to get back touching my client more and more. So I applied to the University of Miami to take the nurse practitioner course, and I was the oldest one that had ever applied. Were they a little hesitant? Yes, I think so. I understand one of the instructors said, "Does she walk slow?" Well, it happens I run most of the time.

Anyway, I took the same test as everyone else, and took the same course. I probably felt much less frustrated each day in class than the younger students did. Then I went back to the Miami Jewish Home after finishing there and worked with the Nurse Training Act. We have the grant from the Government to teach in nursing homes, and having been in nursing homes for over 25 years, I feel very close to that topic.

Then I briefly set up the SWAT team that we also have, which goes out to the community to take care of the elderly, and later was asked to take the coordinating position at our outpatient department. I would like to state that my salary was just fine in the former position with SWAT, as far as I was concerned, and I really wanted to stay with SWAT, and therefore I gave them a rather hard bargain for my acceptance of this position, and I stayed at a certain salary but I got it. So when you talk about trying to get the older worker more reasonably, that is not very true in my case.

I think what happens when the persons reaches retirement, the children unfortunately make it appear like, "OK, you're finished, now I expect you to be dependent." We have got to teach the elderly, number one; we have got to teach the children, also. Number one, your doctor does not take care of you, you take care of yourself. This generation that we call elderly now have dealt with physicians over the years where the physician would say, "Call me, come to me, come to me." We have to get over that. We have to teach people how to take care of themselves.

My clients at the outpatient department, all that is required of them for entrance into our program is a medicare card, but I could

truthfully say almost 99 percent are over 65. Our average age group in that area is about 77 or 78. Females are about at the rate of 3 to 1 to males, but we also have a lot of 90 year olds. We do have some of our clients that are working in the outside communities.

I would like to add that that outside working client, that client that goes to a volunteer job or be it a paying job, they have quite a lot of different attitudes about their health. They don't have the problems. The physical problems they do have do not seem as paramount as with our other clients who don't have anything to do.

Would anyone like to ask me any questions?

Senator CHILES. I wonder if there is some relationship. You were mentioning that 3 to 1 ratio of females above the males. I wonder if there could be some relationship between the fact that again you were talking about a generation basically in which the males were the breadwinners at the time those males retired, and many of them found that was a very permanent retirement. They retired and went upstairs because they didn't have anything to do, where at least a lot of the women were used to activities, so they didn't have a shock.

Mrs. BATES. That is true.

Senator CHILES. As the doctor said, many males have said they run into this problem.

Mrs. BATES. The elderly person can learn just as well. They are a little bit slower and that little bit of slowing speed, slower rate, is more evident when different types of things have to be done, but for most jobs, where they know their routine, they do it extremely well as far as we are concerned.

Senator CHILES. You are finding again that, basically, the productivity of the elderly workers that you have under you, they rank the same with the younger people?

Mrs. BATES. Absolutely.

Senator CHILES. Well, we thank you very much for your information that you have presented to us, all three of you. You again have been very helpful to our hearing. We appreciate your coming up here. [Applause.]

Now, we will take Mr. Sobel, Mr. Campora, Mr. Islitzer, and Mr. Wilson, if you will all come up.

I understand that Mr. Campora has a time problem, as well as Mr. Islitzer. So we are going to start with Mr. Campora and then Mr. Islitzer.

STATEMENT OF STEVEN H. CAMPORA, TALLAHASSEE, FLA., ASSISTANT SECRETARY, FLORIDA DEPARTMENT OF LABOR AND EMPLOYMENT SECURITY

Mr. CAMPORA. Thank you, Mr. Chairman. I appreciate the opportunity to be here and offer testimony. I hope it might be useful for any future reference.

Basically, I am the assistant secretary of the Florida Department of Labor and Employment Security, and within that department is housed the Florida Employment Services. That is basically a federally funded program administered through the State. It is from that basis that most of my remarks come from, and it is from that basis and experience that I would like to make most of my remarks today.

I don't think it would be appropriate to go into many statistics, because if this is the third hearing, I am sure that statistics are well available at this stage of the game. I would rather like to to confine my remarks to perhaps some of the problems of employing the elderly, whether they be misconceptions or whether they be truths, and perhaps some suggestions of how, at least in our rather narrow scope and sphere, those can be at least partically alleviated.

It has already been mentioned that Florida has the highest percentage of persons 65 and over and that by the turn of the century Florida will have the highest population of persons 65 and over in absolute numbers. If we use 60 as an age, 23 percent of Florida inindividuals are 60 and over. If you want to use 65 as a threshold, then we are talking about approximately 17.5 percent of our people who are elderly.

When we get to the area of employment, in general figures, about 85 percent of our people 65 and over are not in the work force. I think, Mr. Chairman, Senator, that is probably one of the objectives that you probably have, to increase that number and decrease that percentage so we can get more of our elderly people in the work force. Undoubtedly, I don't think it takes anyone with a crystal ball to see that unless we, as a society and a country, can do more of that in many of our programs, both government programs, social security programs, and pension programs in the private sector, we are going to face serious problems.

In Florida, at least, I have put together just a compilation of some of the problems that have come to me through our employment services in terms of employing elderly people. First of all, there is some employer resistance. I think it is basically true that much of that resistance is based on myths. Whether it is myths or not, resistance remains. Hopefully, as we see their productivity and it becomes documented and evident, some of these myths will be destroyed and exploded.

In Florida, it is not only the corporate giants we have to worry about, Senator. As you well know, Florida is basically a State of small employers, so we have to educate everybody. I wish all employers had the attitude, for example, that Grumman, Xerox, IBM, and some of these people have. Some of the jobs that we want for our elderly people will be found with those small employers, so we really have a big education problem on our hands.

In some cases, I think, unrealistic expectations on the part of individuals occur particularly when they want to change areas; they sometimes want to start too high in some cases. That is certainly a problem. People who have always worked and have not been unemployed, and in many cases don't know what unemployment compensation is, sometimes have problems in knowing the intricacy of finding a job. They don't have many skills in finding a job, and that becomes a problem. They don't know where to get assistance, where to go to get help.

Fears and stereotypes are sometimes a problem. Sometimes there are elderly people themselves who sell themselves short. They themselves do not know the experience that they have and sometimes they suddenly get the feeling that these younger people are a better generation, they are smarter and bigger, and they are always breaking

records. I think that is a myth, and I think documentation can be well founded to destroy that myth. Nevertheless, if some people believe it, it can be a barrier.

The housewife who has been forced to the labor market with rusty skills is a problem. Housewives should themselves learn to get skills so that they can be employed. I don't think the elderly are any different than any other people in that the more skills you have to sell and that are available, then the more employable you are. That holds true regardless of what age you are; that is just a true concept of training and skills.

I would like to just offer quickly, since we don't have much time, a few possible ideas that might be used as resources to at least alleviate the problem. I think it has become evident when we look at the problem that it is complex; there is no single panacea that is going to solve the problem. One thing that might be extremely useful would be to promote and encourage job-sharing programs. I think that has already been mentioned.

I am not sure how much job sharing can be forced, particularly in the private sector in that regard, but somehow we need to encourage job sharing because that will not only help the elderly when they are the elderly, but it will help people like housewives who would like to still devote time to caring and maintaining a family and not work full time but maybe work for perhaps 20 hours a week during the time when their children are small. Then when they do become elderly, they have skills, they have a career, and they are much more employable along with helping elderly people.

I am sure if we surveyed the elderly here today, lots of them would like to work, but maybe not full time. The only way we can do that is to make more jobs available, perhaps on a sharing basis. Take one full-time job and make two half-time jobs out of it. In some way, shape, or form, I think we need to encourage that concept.

The other area is what is called a TJTC, or targeted jobs/tax credit programs. This has been very successful in the short time it has been. Basically, generally, it is a government funded program that allows tax credit for hiring certain target groups, but unfortunately the elderly are not among those targeted groups. I think, Senator, some aspect of the Senate has looked at the possibility of including the elderly in that group, and I think there was a conclusion that it was too costly, but I don't know if that has been actuarially figured or not. I would hope that the Senate would take a good, hard look at, at least, that aspect of this to find out if it is sound, and perhaps in the long run it might be money well spent to include the elderly as part of that targeted group of that program.

Then I think one thing that would help us as a department to help the elderly is if we had more emphasis on what might be called, for lack of a better term, the older worker specialist. I think it has been mentioned here before that only the elderly know the problems of the elderly, but it is also true that we live in a world of specialists. When we talk about labor, or training, or medicine, we live in a world of specialists, due to the complexity of our society. Consequently, it would help if we in the employment service, over and above our base formula which comes to us through the U.S. Department of Labor, had funds available for an older worker specialist.

Particularly in the urban area, the problem we have is that we are like a business in many instances, and the whole funding for employment services is based on placement, how many placements you can get, and to a certain extent that is the way the Federal dollars flow to the Department and to that level, to that bureau in terms of placements, how many placements you get. It is almost like a business that is in the business of selling. You know, that is the big thing.

It is more difficult to place elderly workers, and that can be documented. Sometimes there is a human tendency to give other people, groups of people that are much more easily placed, more attention than elderly workers. If you go into some of our offices now and you ask, "Do you have an older worker specialist?" They will say, "Yes, but that specialist has many, many other jobs to compound the issue."

I think perhaps if that were pursued, the fact of a separate funding base for an older worker specialist in all our large employment offices throughout the country it would be an asset, because then if you have that specialist there that is a full-time paid specialist and probably, hopefully, that would be an older person himself, then around that base could come such things as CETA grants for people to help them, and so forth.

One last thing. I think we do have a program which comes to us through the Government in HRS, which places elderly people, particularly in the public sector, in State government, and perhaps some additional funds and some additional emphasis in that area would be useful.

Mr. Chairman, with your permission, I want just about 3 minutes for Deloris E. Maust, who is the manager of the local Florida Employment Service in Winter Park here. I think it would be appropriate in terms of a grassroots level, with your permission, if I were to give her just 2 or 3 minutes.

Senator CHILES. We would like to hear from her. Mr. Islitzer also has a time problem, so we will put him on next, and you could leave if you have to.

STATEMENT OF DAVID ISLITZER, TALLAHASSEE, FLA., EDUCATION CONSULTANT, ADULT AND COMMUNITY EDUCATION SECTION, DIVISION OF PUBLIC SCHOOLS, FLORIDA DEPARTMENT OF EDUCATION

Mr. ISLITZER. Thank you. I am Dave Islitzer and I work with the Department of Education in the adult and community education section, which is in the division of public schools. When the Senator's staff called and set our office in a tizzy with a question which was, "What is available in the Department of Education to help retrain retirees to enter the work force, or what incentives do you have to keep them in the work force," I flipped over a lot of rocks, sir, and there is not much going on.

In the Department of Education there are four divisions. I am in the division of public schools. In the division of public schools there are just a few areas where adults become involved in our division, and that is mostly in the area of adult education, and that involves high

school diplomas. We have very few seniors going through that to get a high school diploma, and those that go through, we think, are there mostly to fulfill a lifelong dream rather than to get that credential to enter the work force.

So in my own division, there was not much going on. Why I am here is that I seem to be the only person in the Florida Department of Education that has something in their job description that centers on the elderly. Ten percent of my job deals with education for and about aging. That is it, 10 percent. So the nine other hats that I wear take up a good deal of my time.

It did not appear that much was going on in my divisions. I jumped over to the other three divisions. Understand, I am a fish out of water in these other three divisions. I will mention what they have.

The division of universities, like most universities, they are in the business of providing advanced degree programs to people who are usually between the ages of 18 and 30. Now it is true, our universities in this State have gerontology centers, but that mostly revolves around research for and about the elderly.

We have title I programs with the Higher Education Act that have emphasis on problems of the aged, but they produce small demonstration programs which affect relatively low numbers of persons.

The other division is the division of community colleges. They are also in the business of providing degree programs, albeit 2-year degrees, or a springboard to go on to higher education at the universities. They do provide some incentives for senior citizens, and there is a fee waiver for those persons who are 60 or older. Also, there is career planning and counseling available at the community college for the senior citizen.

The only bright note among the four divisions in the department seems to be in vocational education. Here there are 28 area vocational centers and nine community colleges that have as part of their responsibility that they are also designated as a vocational center. Here I found out that 10 to 11 percent of those persons that are 55 or older are—let me back up. Out of the entire enrollment of the vocational centers, about 10 to 11 percent are persons who are 55 or older. That is about 46,000 people in this State.

They seem to be the only ones who either are providing something that the senior citizen would like to get into or have made efforts to outreach to get this group involved. Most of these people are not necessarily in credit programs but rather in short-term duration programs such as real estate or insurance. The thing seems to be there: Show me what to do. I want to get out to do it. Don't tie me up for 2 or 3 years in a degree program.

In any of the divisions I mentioned, there does not seem to be very much information as to followup to see what success these folks have had in getting employment once they have gone through the trouble of getting training, if there is training available at all. So I sit before you kind of like David facing Goliath, except I don't really have a pebble in my sling. I am swinging around something that is kind of a hollow shell.

In doing the research to come here, it is clear to me that we need to be doing something, and although I am a low man on the totem pole, I am going to go back and start asking questions to my superiors to

find out what can be done. We are in an age of cooperation now; that is the big theme in the Department of Education—work cooperatively with other agencies. It seems to me this would be a golden opportunity to provide service that is needed.

Senator CHILES. I hope you will pass the word back to your top people that we think this area is tremendously important and deserves more attention, and there is a whole network of people in service to the elderly that can tell them where to start. I hear people bemoan the fact that we cannot pass a school bond issue in Florida any more because all of the old people always vote against it.

You know, if the old people thought that the schools offered something for them, or that education offered something for them, maybe that would not be true. I am not sure that it is true even to start with that that happens, if the school bond issue is properly sold. Certainly, where you have a situation in which you see the percentage of the population that are older citizens, we should recognize that they have needs for continuing education and continuing help, just as much as young people, yet no one wants to disregard the mandate I think that we have in educating our younger people. When we recognize these needs, there should be movement in the Department. There should be some staff in the Department. There should be work going on there to try to recognize these needs as we have heard of. Employers are saying that they need skilled people, and a lot of these older people have the skills and they can work in that regard.

Mr. ISLITZER. I agree with what you are saying, Senator. My remark is what we are doing to retrain persons. Now there is plenty, plenty, plenty going on in this State regarding leisure activities, self-improvement activities, and those kinds of things, but it does not necessarily deal with going to work.

Senator CHILES. We are talking about retraining so that a growing portion of our elderly population would be able to be employed again, if necessary.

Ms. BOSTON. May I ask a question?

Did I understand you to say that higher institutes of learning have a program where persons 60 or over can go and, if so, how can you get admission into such a program?

Mr. ISLITZER. The question for those that did not hear it, did she understand that institutions of higher learning in this State had free tuitions for persons who are 60 years old and older?

The point I made that was pointed out to me by the persons in the community colleges was that community colleges had to be people 60 years of age or older. I am not quite sure what is going on with the university.

Ms. BOSTON. Even at this level there is certain sophistication or something.

Senator CHILES. We have a couple of other questions.

Ms. CROFUT. I have the answer to Ms. Boston's question. During the recently completed State legislative session, Senate Bill No. 902 was passed and signed into law. Older Floridians now have the opportunity to enroll, on a space available basis without tuition fees

or academic prerequisites, in regularly scheduled courses at State universities and colleges.

Mr. ISLITZER. That is for universities?

Ms. CROFUT. That is for State universities and colleges on an audit basis and in some instances for credit.

Mr. ISLITZER. That is for credit?

Ms. CROFUT. Yes; may I suggest you review the statute just enacted.

Ms. KIRSCHSTEIN. Mine is not a question.

For many years, as much as 6 or 7 years ago, if you were 55 or older, for only $5 you could go out to Texas and take almost any training course, and you have to pay for your books. I don't know whether they still have the program, but I myself went out and studied hotel-motel management, including the classes on hotel law, so that you automatically became a member of the Hotel-Motel Managers Association of America. Sixty-five or older. I don't know whether they still have it, but I know they did 6 or 7 years ago.

I think one of our problems is there is a lot of stuff available. We don't know about it and we don't hustle or bustle to find out about it.

Ms. BOSTON. Travel agency. I had to buy my books.

Ms. KIRSCHSTEIN. When was this?

Ms. BOSTON. This was in 1977.

Ms. KIRSCHSTEIN. Maybe it has changed.

May I say this, because I started running into prejudice against age when I was between 47 and 48 years of age. I was forced into going back into the labor force. I am old enough that when I was reared a woman was taught that the most important thing we could do was to be a fine wife and a mother and to stay at home. [Applause.] But it just don't work that way.

Between 47 and 48 years of age, I had to go back into the labor force. Before World War II, it was not against the law to work in surgery without a license if the doctor said it was all right. When I went back to work I did the dirty work, I got the poor pay. When I wanted to go to LTN school, I was told I could not go to school because I was 47, almost 48 years of age. I was refused admittance to nursing school. I could have raised merry hell about that, but I had a health problem. I let these things bother me emotionally.

I walked into Hilton West and asked for a job and they were tickled to get me. I stayed between 3 and 4 months. I trained the night auditor. I trained the girl, and then I was told that because they were all young that they didn't want to be bothered with a grandmother around. That is about 7 years ago. I was not very heavy and I was not fat, and I guarantee you I was not slow psychologically. It was not their fault that I went home in tears, it was my fault. So actually it is not the training and the ability, most of us have some ability. But when we get slapped in the face, we back off because we have been brainwashed to believe that we belong at home, the women especially.

I am sorry I got on my soapbox but I just could not help it.

Senator CHILES. We have a box here for people that want to get on it.

Mrs. Maust, I now go to you.

STATEMENT OF DELORIS E. MAUST, MANAGER, FLORIDA EMPLOYMENT SERVICE, WINTER PARK, FLA.

Mrs. MAUST. I am not going to take much time or get on a soapbox, but I would like to bring to your attention specific regulation that I think is unfair to the older workers. I hope you will be able to make needed changes. I think there is someone here from Senator Stone's office who may also help. The senior work experience concept is wrong, the concept being that seniors can work in public or nonprofit employment for a limited time and then can go out and be able to get competitive jobs in the private sector.

I have had two ladies age 70-plus working for me about 4 or 5 years on various senior work experience programs. As one program ended and they were just about to go over the falls, we managed to get them on to another program of some kind. However, it is a traumatic experience to them because of their financial needs and desire to be useful citizens. We like them and they like us and want them to work as long as health permits.

If work experience programs could be changed to maintenance type programs and provide permanent part-time jobs for seniors, the problem would be solved.

This is the only thing I would like to bring to your attention. CETA funded senior workers are now limited to working 1,000 hours. When that time is up, you will get a lot of letters from the people that are on the program. They will tell you they don't know what they will do if this program ends.

Senator CHILES. The thrust of that program is, of course, trying to show that those people are going to be able to return to the work force.

Mrs. MAUST. It is not practical because I had 35 years with the Florida State Employment Service and I know it is not.

Senator CHILES. I appreciate hearing from you on that. We will certainly look at that program.

If any of you have to leave, or when you have to leave, please feel free to leave on time, because I know you have some time constraints.

Mr. Sobel, professor of economics at Florida State University. We know that you have long been involved in aging issues. Your topic has been work and retirement, and we are delighted to hear from you today.

STATEMENT OF IRVIN SOBEL, PH. D., TALLAHASSEE, FLA., PROFESSOR OF ECONOMICS, FLORIDA STATE UNIVERSITY

Dr. SOBEL. I prepared a review of the basic literature on "The Age, Employment and Retirement Problem," which I will submit for the record.

Senator CHILES. We will put that in the record.[1]

Dr. SOBEL. Having entered this statement into the record, I then will read only excerpts therefrom which bear on what has been testified previously.

In this statement, I go into the growing pattern, at least until the early 1970's, of early retirement. I emphasize the following: While a large proportion of younger workers did retire voluntarily, there is also

[1] See page 230.

strong evidence that major and growing proportions of those withdrawing from economic activity before 65 were forced out of the system, so it is not just a problem after 65.

Senator CHILES. This is even before 65?

Dr. SOBEL. That is right.

I also state, "It is abundantly clear that if all of this age group, that is over 65, were accorded free choice under conditions of full employment, that a significantly large proportion would prefer to be economically active." I am citing the National Council of Aging-Harris survey, which found that 40 percent of those between 65 and 70 would prefer to be economically active and working, and that the proportions of those with incomes under $3,000 were significantly higher.

Senator CHILES. So the lower the incomes that they would have upon retirement, the stronger the incentive to continue to work.

Dr. SOBEL. That is right.

Now, as for the individual retirement decision, studies indicate that about half the people tend to regard retirement positively, and that would indicate that a substantial proportion of those who retire do not regard it positively, but have been forced to do so through mandatory requirements.

Now, bearing on what you have cited about the productivity of the older worker, I am going to review the literature. As for the ability to work the studies found that the physical demands of most jobs today is well below the capacities of most normal aging workers. Properly placed older persons have greater stability on the job, fewer accidents and fewer absences than younger workers. At least 20 studies show that vocabulary, general information, and judgment either rise or never fall after age 60.

Generally, older workers are more satisfied with their jobs than younger workers. The Department of Labor is satisfied that there is no consistent pattern of superior performance or judgment that has not been demonstrated. Indeed, greater variation exists within age groups than between them.

Now the bulk of my remarks which I have also prepared for my statement, apply specifically to Florida. While these studies which I quote, highlight the basic problem of work continuity and retirement, and provide insights of great value to policymakers attempting to deal with the age, employment, and retirement nexus, their applicability to Florida has to be assessed.

First, these studies concentrate upon the retirement decision and tend to regard retirement as a complete and once and for all withdrawal from the labor force, which was proceeded by a more or less continuous work career. They tend, therefore, to concentrate upon the long service employees of those firms which offer careers and career ladders—about 40 to 50 percent of the total employed work force—and disregard the larger number of labor force participants whose work pattern and subsequent retirement decisions may be influenced by somewhat different considerations.

These studies, and thus our policies, concentrate upon the conventional retirement period—age 65 and now 70—the adequacy of retirement income, and have by and large failed to focus upon the aging process itself, and to the growing body of transitions and changes

in activity frequently loosely ascribed to "early retirement," sometimes at ages substantially below conventional retirement ages. The latter form may be accompanied by a change in geographical residence, generally induced by a desire to change lifestyles, leisure patterns.

The desire to change lifestyles, leisure patterns and to be able to choose between a larger variety of leisure activities associated with a semitropical peninsular climate, has led to substantial immigration of the aging toward Florida, and this movement has been associated with an active State policy to recruit retirees. Without them, our State would not have grown as quickly or been as prosperous. These recruitment policies were long held to be crucial to the economic development of the State in that to the extent that retirees brought income, transferred their bank accounts and capital, purchased goods and services—especially housing—all of which could be treated as similar in their effects to exports, maintenance of a flow of retirees were considered indispensible to Florida's rapid economic growth and "full employment."

Areas in Florida growing most rapidly, at least demographically, all seemingly were characterized by a high influx of aging retirees. Thus, until recently, there was a tendency to regard retirees as a homogeneous group, all contributing to economic growth and presenting no problems either to the State economy or to the areas in which they were concentrated.

Within recent years, however, as a result of unexpectably high rates of inflation and its impact upon the real income of retirees, very rapidly rising costs of housing, somewhat lagging national economic growth rates, more and more attention in Florida has been focused upon the problems of the "retiree" and what has emerged has been recognition of the fact that not only the retirees are a highly diverse group, but also, unfortunately, that a growing proportion of them under current trends present social and economic problems of some magnitude.

Nevertheless, Florida still actively continues to recruit and attract retirees and as a "growth area" this in-migration, in an aggregative sense, seems to generate far more plusses than minuses. Yet if we expect to benefit from the plusses, we must not only be aware of the potential growing minuses, but also deal with them realistically and humanely.

Aggregative data would indicate that labor force participation rates of all the groupings over 50 in Florida are significantly lower, if not the lowest, in the economy. This is the result of much higher proportions of retirees in each of these age groupings, as well as a significantly higher proportion of blacks over 50 in Florida, the latter tending to be forced out of the labor force early due to the "discouragement effects."

These same data would also seem to indicate several different groupings among the aging. One large group of aging workers were those currently employed in Florida, a major proportion of whose work experience has been in Florida. By and large, given the type of employment in Florida, a much smaller proportion of these workers are likely to be affected by the 1978 amendments than their counterparts in more highly industrialized States.

The so-designated early retirees represent a mixed grouping ranging from "retired" military personnel with relatively low to moderate incomes and whose retirement is not only nominal but who expect to find

new careers for the remaining period of their working lives, to professionals who would like to "slow down their pace" and enjoy more leisure time, to individuals who have amassed considerable financial resources at relatively younger ages, to those who retired at minimum levels of income who are the most vulnerable to inflation and ultimately most likely to seek employment and or other forms of income supplementation and assistance.

A large proportion of the early retirees, especially the retired military, who may possess adaptable skills, will shortly enter in the labor force, while those who migrated to Florida with significant amounts of capital often find new activities and careers, with some involving themselves in various forms of civic activity. In short, a major proportion of the "early retirees," especially those in the age 50 to 60 category, regardless or original intent to retire, ultimately find their way back into the Florida economy and contribute vital skills, capital, and other resources. The most difficult problems are encountered among those who retired early with minimal levels of income, a large proportion of whom find themselves, out of necessity, searching for work who frequently have the least employable skills and who, it can be argued, are the most likely to have health related problems.

These same marked differences in retirement income levels, amounts of liquid capital also prevail for those in-migrants who retire at "conventional" ages and, judging from whatever limited data exists, are intensified by the tendency of retirees, whether "early" or not, to concentrate in given locations by level of income. For example, upper income retirees in Sarasota County while lower income groupings may reside in Pasco County.

Although the nature of the Florida economy, with its high proportion of service activities, would seemingly militate in favor of the employment of larger proportions of aging workers the dispersion of such jobs and the older jobseekers seem to be incompatible with each other. It is in these communities of retired industrial production and clerical workers the great bulk, if not the entirety, of whose income emanates either from social security and/or firm pension system in which we find the greatest proportion of age-employment-retirement "problems."

These retirees are the ones for whom the cost of living seems to be rising more rapidly than average for those goods and services purchased, including housing, by the aging. So I think that as an economist, one of the things that we can contribute to understanding the problem of aging, is to have a separate cost-of-living index for those goods and services typically purchased by aging individuals. And were we to do so, my estimates—and these are borne out by my experience while serving as head of the steering committee directing the Florida cost-of-living survey—would be that the change in the cost of living for the elderly are significantly 25 percent higher than the national increases; that is, the apparent increases of the overall cost-of-living index.

These above-cited retirees are the ones who are the most vulnerable to inflation, sudden onsets of illness or other emergencies, and are the most likely to find it necessary to seek employment. Given the prevailing demographic trends and conventional differences in ages between spouses, the average female will outlive her spouse by 11 to 12 years, and given the nature of both social security and private

pension plans, the end result is to leave a major number of semi-destitute widows, some proportion of whom have been out of the labor force for some years.

In fact, were my remarks addressed to other problems, I would point out that the 75 and over are likely to increase at an evergrowing rate in Florida. In other cases for many lower income retirees, whether early or not, the generally younger wife had by necessity already been forced into the labor market, generally holding relatively low-paid clerical or service jobs. The same problems do not prevail for those "widows" whose spouses received major proportions of income from earning assets.

These brief summary remarks perhaps only tentatively indicate the major age-employment and retirement problems and underscore either how little we know or how little hard data we have. They do emphasize the challenge to all of our institutions, including not only our employment services, our retraining services, but also our educational systems, as well as health institutions, if Florida's older citizens are to enjoy meaningful and productive lives. But in an economy of lagging productivity growth, inflation, concern regarding the future viability of social security and even private pension plans, Florida's future in-migration patterns could be substantively altered and we must begin to collect data which could yield insights regarding the likely effect of these changes upon future patterns as well as those who are currently here.

The varying combination of age, work experience, level of income and need for income supplementation, occupational structure, and even the degree of permanency of the retirement decision which characterize the so-called in-migrant retirees, all deserve analysis. Unfortunately, little systematic analysis based upon recent data is available in Florida. The recent census, if exploited properly by adequate preplanning and supplemented by additional data from carefully selected samples and panels could yield insights of great value. I hope that, were any research to be conducted on a major scale, a major effort be devoted to Florida and its each different panel of the particular group of aging and aged could yield information and analytic results which could be of great value to policy-makers at both the State and Federal levels.

Policy will have to be made jointly at both levels. These panels of different groups of aging in selected areas, if followed over time, could yield insights which are translated into improved policies toward our aging population.

Senator CHILES. Thank you, Doctor. We will look with interest at your full report, which I will insert into the record at this point.

[The prepared statement of Dr. Sobel follows:]

PREPARED STATEMENT OF DR. IRVIN SOBEL

THE AGE, EMPLOYMENT AND RETIREMENT PROBLEM

Introduction

A growing proportion of the American population is now living past 65, until recently considered the conventional age of retirement. Despite this convention, a significant minority of persons over age 65 continue to do work part or full time, and it is abundantly clear, if all of this age group were accorded free choice under conditions of full employment, that a significantly larger proportion would prefer

to be economically active. Nevertheless, until recently, small and declining proportions of American workers, even those well under age 65, were economically active; this trend reflected the results of a complex amalgam of economic, technological, social, and political changes. One basic force was rising real income, which enabled many older members of our society to "purchase" more leisure, coupled with expanded provision of social security benefits and more widespread provision of pensions in the private sector. This same trend in the post-World War II era prevailed among younger age groupings, especially the 55- to 64-year-old group, the latter reflecting varying combinations of voluntary and involuntary pressures.

Notwithstanding these trends, a substantial minority of individuals over 65 continued to work; countless others would have preferred to work, had they either been able to find employment or had they not been forced by mandatory retirement plans to retire. While a large proportion of younger workers did retire voluntarily, there is also strong evidence that major and growing proportions of those withdrawing from economic activity before 65 were forced out of the system.

Within the past decade, the trend toward retirement, especially [illegible] voluntary nature, seems to have peaked if not subsided; and this counter trend, which affected the attitude of older and younger members of the work force, culminated in the 1978 amendments to the Age Discrimination in Employment Act (ADEA), which passed both legislative houses by resounding majorities. The purpose here is not to review the whole complex of societal forces which resulted in the passage of this legislation. Suffice it to say the result was to outlaw in most occupations arbitrary mandatory retirement or discharge of employees before age 70 and to abolish the concept altogether for most jobs in the Federal sector.

Several factors are at work today either to entice or to coerce older employees into early retirement: higher levels of preretirement income, technological forces which, while making life easier for older workers, also create new job skills and fields which they have greater difficulty penetrating; income maintenance plans; employee pension plans with negligible reductions for retirement prior to the normal age; and eligibility for earlier receipt of social security benefits and disability provisions.

Basic change in institutional parameters is inherent in the 1978 amendments, whose passage reflected emerging and changing social, political, and economic forces. These profound changes in our society and its institutional framework would imply that any estimates or "guesstimates" of the likely impact of such change are themselves highly tentative. Thus, attempts to determine the likely impact of this change from studies reflecting past experience—while in an era subject to changing technology, attitudes toward work, economic growth, an accelerated rate of inflation and a possible decline in number of new job opportunities—are not easy. This attempt is rendered even more difficult by varying estimates, some highly pessimistic of the future job creating potentials of the American economy. Nevertheless, past study can enable delineation of the basic variables, the key subgroups whose employment and retirement adaptations are likely to differ by age, race, sex, income, and occupation, and enable identification of those individual characteristics which may differentiate the employment and retirement decision, and identification of workers' individual choices with respect to their employment and retirement.

Each of these nonhomogenous subgroups, and even smaller entities within the subgroups, lumped indiscriminately into the older or aging classification, may differ considerably in their response to technological change, employment continuity, and even in their attitudes toward work. Those 55 to 60, for instance, may and do differ significantly in their responses from those 65 and over.

The Background Factors

The discussion surrounding the ADEA amendments was handicapped by a paucity of directly applicable data on the effect of changes in mandatory retirement ages; the meager statistical evidence and strong opinions of vested interests cited offer little basis for generalization on the complex and interrelated consequence of such a change. When Congress concluded that there was no significant evidence to prove that the effect of the amendments was unlikely to jeopardize employment opportunities for younger workers, that conclusion was based on the very small proportion of workers (1.2 percent) between the ages of 65 and 70 in the Federal service. A few other, frequently contradictory studies in specific work situations in particular firms and industries, often within narrow occupational

ranges, were cited; but very little data, and none of it conclusive, were offered concerning the interrelationships between enhanced retirement opportunities and advancement prospects for other elements of the labor force.

The exact number of workers subject to age-based mandatory retirement is not known, partly because the distinction between voluntary and involuntary retirement needs clarification. Nor is there extensive information on retirement trends among different occupations, or even on retirement and other employment trends within those industries and businesses which have not relied on fixed retirement ages.

Despite these deficiencies in our knowledge, let alone our data base, there is a substantial body of literature bearing on this subject which offers some basis for generalization and enables testable hypotheses to be generated.

These by no means exhaustive studies encompass all the major discipline within the gerontological rubric, they range from macro-based analysis of census and labor force data to micro-oriented studies at the plant level either in particular firms, units within firms or among small groups of workers. They encompass the broad structural forces in the economy and society which influence the work and retirement decisions, social attitudes which bear upon these and include studies of individual perceptions, motivational and psychological factors which bear on labor market behavior and which can cause differential retirement decisions in similar circumstances.

Structural, Job-Specific Individual Factors

a. Structural factors

The structural factors are those pertaining to the economy at large, such as the state of the economy, or broad policies or laws affecting retirement. In this section we discuss several studies of an economywide nature yielding information on such factors as the size and composition of the labor force and shifts in levels of labor force participation as related to the state of the economy, the extent of coverage by mandatory retirement plans—the impact of social security policies—and societal attitudes toward the elderly.

(1) *Size of the work force.*—In 1977, there were 99,534,000 people in the work force. Of these, 59,467,000 were males and 40,067,000 were females. Men 55 to 64 numbered 7,045,000. In addition, 1,845,000 men and 1,065,000 women were age 65 and over (U.S. Department of Labor, 1978).

Whether employment relative to the labor force will, in the future, expand or contract is a matter of conjecture. A widely held view, often called the "lump of labor" theory, maintains that the number of jobs in the economy is fixed. In reflecting this position, Abram Jaffe, a Columbia University demographer, estimates that only 106 million workers will be needed in the year 2000, although the total minimum labor force will amount to 123 million in that year (Withers, 1974).

With regard to the specific 65-and-over population, the Department of Labor Committee on Human Resources estimates that as a result of the 1978 ADEA amendments only approximately 200,000 persons will continue to remain in the labor force.

(2) *Trends in the work force participation.*—Whether or not the employed work force expands or contracts, recent projections suggest that older workers age 55 and above, who constituted 15 percent of the 1975 labor force, will account for less than 12 percent by the year 2000. This projection itself must be scrutinized in light of the assumptions employed at its basis.

During the three decades since the end of World War II, the labor force participation of older men (65 and above) has fallen almost continuously from 48 percent in 1947 to 22 percent in 1976. (Rosenblum and Sheppard, 1977; Jaffe; Sobel, 1971; Meier, 1975). That factor is of central importance in understanding the economic and overall life situation of today's older population. In 1975, less than 2 million of the total elderly male population of 9.2 million were active members of the labor force. Yet, during the last 25 years, the total 65 and over population has nearly doubled (Harris, 1978).

While the number of years women spend in the work force has risen steadily this century (Cain, 1976), at least until 1970 when it began to stabilize (Employment Training Report of the President, 1978), the number of elderly female employees is likewise on the decline. In 1975, less than 1 of 12 women 65 and over was active in the labor force. Though this is nearly the same percentage as the turn of the century, it is lower than the high point of 1 in 10 reached in the decades of the 1950's and 1960's (Harris 1978).

The pattern for black males aged 65 and over is remarkably similar to that of whites. One in five makes of both races was in the labor force in 1975. Though black females continue to be employed after 65 with greater frequency than do white females, the gap between the two races has narrowed considerably in the past two decades (Harris, 1978).

By 1990, the total 65 and over population will increase by some 6.5 million. However, according to the Department of Labor, projections of labor force participation "should be interpreted with caution. It is probable that changes in retirement policies and practices, if legislation to restrict mandatory retirement is enacted, will have an impact on the participation rates of older people long before the 1990 projections may be checked against reality" (Employment and Training Report of the President, 1978). (Such legislation has been enacted.) Recent studies indicate that the early retirement trend has already been reversed (Fortune, May 8, 1978).

(3) *Desirable level of work force participation.*—The broader question is the extent to which society can accept a low rate of labor force participation by the elderly. The most recent census projection for the year 2000 indicates a population numbering 31.8 million 65 and older. "This is a significant increase over the 1971 projection of 29.8 million. These demographic trends among older adult groups pose a serious challenge to the U.S. economy over coming decades," the Department of Labor believes. "Unless the Nation expands in its capacity to support more persons in retirement than previously projected, the American economy may be compelled to retrain and absorb into the active work force an unprecedented number of older job-seekers" (Employment and Training Report of the President, 1978).

(4) *State of the economy.*—Little attention has been given to the influence of general economic conditions on retirement rates and on labor force participation (Kasschau, 1976), though it has been observed that they respond to upswings and downturns in the economy (Jaffe, 1972). While some researchers have obscured the issue by focusing their analyses on the reasons given by retirees, others have conclusively shown that involuntary withdrawals by older workers increase during cyclical periods of recession (Rosenblum and Sheppard, 1977; Sobel, 1971).

(5) *Extent of coverage by mandatory retirement plans.*—The data on the numbers of those subject to involuntary retirement because of age are inadequate and inconclusive. The Bureau of Labor Statistics survey, conducted in September 1973, covered 63.4 million workers, of whom 49 percent were subject to compulsory retirement because of age. This figure involves some substantial double counting and thus is an overestimate.

The Bureau of Labor Statistics study of private pension plans in 1974 showed that 41 percent of the almost 21 million workers covered by these plans were subject to mandatory retirement. Mandatory retirement provisions may be compulsory (which permit employers to retire workers reaching a specified age) or automatic (which require workers to retire when they reach a specified age). Some plans have both provisions. In addition, 10 percent of the workers had forced retirement provisions in their plans, which permit employers to retire workers before normal retirement provided certain minimum age and service requirements are met (U.S. House of Representatives, 1977).

In addition, many Federal laws establish pension plans for various classes of employees with a specific mandatory retirement age—70 with 15 years of service for Civil Service employees until September 30, 1978, age 60 in the Foreign Service, and age 55 with 20 years of service for special groups, such as law enforcement employees. No mandatory retirement age provisions are set for others, such as congressional employees.

The complexity of the subject and the inadequate data make it impossible to estimate precisely the number of older people subject to involuntary retirement because of age. Congress believed that the figure of 30.6 million, cited in the hearings of the ADEA amendments, was conservative (Cost of Idleness, U.S. House of Representatives, 1977).

Nor is much known about the prevalence in American business of noncompulsory retirement plans. Little data exists on the effects of such plans on management or on the retirement proclivities of workers who are not forced to retire. Preliminary data from the Federal Government, the State government of Maine, and companies such as Bankers Life & Casualty, suggest that retirement rates and ages are not significantly different with or without mandatory retirement.

(6) *Social Security policies.*—Finally, the extent to which public policy has been successful in encouraging early retirement and discouraging the work of older persons may also be a factor of major significance.

Among the purposes of the Social Security Act of 1935 was the enticement of older workers out of the labor force by providing them with a source of income contingent on their not working (Kasschau, 1976).

Since 1956, wives and female workers have received benefits at age 62; since 1961, male retirees have been able to receive reduced benefits at the same age. This legislation was at least partially designed as an antirecession measure to help spread the work. Since 1962, more than half of the men awarded initial retirement benefits have received reduced benefits. (U.S. House of Representatives, 1977).

Older persons on social security are encouraged not to work by the earnings test, which in 1977 reduced benefits by $1 for every $2 earned in excess of $3,000 for those up to age 72. This may act as a disincentive to the creation of part-time jobs, which are useful for older persons (Schulz, 1974).

Demographic and other pressures, however, seem to be pushing U.S. policy toward incentives to work for older persons rather than disincentives. Recent social security amendments have begun to provide greater incentives for those who work after 65, namely: (1) Allowable earnings have been increased without any reduction of benefits ($4,500 in 1979, rising to $6,000 in 1982); (2) the incremental benefit bonus for working after 65 has been raised from 1 to 3 percent a year; and (3) after 1981, the age at which benefits are payable as an annuity has been reduced from 72 to 70 irrespective of whether the individual works or not (Cohen, 1978). To what extent these new amendments will effect a reversal of the trends toward early retirement is difficult to predict.

(7) *Societal attitudes toward the elderly.*—The attitude of society toward the elderly is a factor underlying all such public policy decisions. Current policies are based on the assumption that older people require less money than younger persons to meet their needs. The Department of Labor's "Retired Couple's Budget for a Moderate Living Standard," allots less to older persons for clothes, entertainment, furniture and so forth. But other studies, notably by Abram Jaffe, have found that costs for older people may be increasing more rapidly than for those in younger age groupings. Rent, medical care, transportation and food, which usually comprise the bulk of the older person's budget, have recently experienced much higher rates of inflation than the other items which comprise the cost of living.

In the NCOA-commissioned study, undertaken by Louis Harris and Associates in 1974 (NCOA, 1975), the public agreed by 81 percent to 14 percent that "government should help support older people with the taxes collected from all Americans." The extent of this support, however, revolves around the share of income the society perceives it can forego without the productive participation of older workers in the labor force. Since recent trends in man hour productivity have been inconclusive, with some data sources showing decline, the number of our society perceives it can support in retirement may be subject to downward revision.

b. Work related factors

The second group of factors affecting retirement are those specific to the work place and to the type of work in which an individual is employed. Other factors such as the financial state of the industry and the given company's pension plan, are included in this second set.

(1) *Distribution within the work force.*—In 1977, the total number of workers in nonagricultural industries was 85,895,000, of which 14 percent, or 12,414,000, were 55 plus, and therefore potentially subject to mandatory retirement. The distribution by occupation was as follows: 13 percent in mining were 55 or older; 13 percent in construction; 14 percent in manufacturing; 14 percent in transportation; 14 percent in wholesale and retail trade; 15 percent in finance, insurance, and real estate; 15 percent in service industries; and 16 percent in public administration. Unfortunately, further breakdowns by either detailed occupation or by white collar, blue collar or service categories, are not readily available, nor are data by age, employment status and income or poverty status (Bureau of Labor Statistics, 1978).

(2) *Variance in industry retirement rates.*—Retirement rates vary by industry, yet the economic factors which affect industry decisions regarding personnel are "sketchy or unavailable" according to Rosenblum and Sheppard (1977) and Jaffe (1972). They isolate four structural factors that account for more than 70 percent of the variance in industry-specific retirement rates—self-employment the ratio of employees aged 45 to 54 relative to those 55 and older, the extent of labor intensity in the industry, and the manual/nonmanual character of the work.

Participation of older men also may be a function of the shift in the economy's industrial composition. New industries may recruit younger workers, while in

1970 more than half of the employed men aged 45 and over were concentrated in declining or slow-growth industries (Employment and Training Report of the President, 1978; Sobel, 1971).

(3) *Voluntary or involuntary retirement.*—The variance in industry rates raises the question of the voluntary or involuntary character of the retirement. Several studies have addressed this question (Cain, 1976; Sheppard, 1977; Parnes, 1977; Barfield and Morgan, 1969; Meier, 1975). The Social Security Administration "Retirement History Study," in an analysis of men who stopped work before 65 (Reno, 1976) found that 55 percent of those 62 to 64 years old would have preferred to have worked longer. Thirteen percent cited "discontinued job" or "laid off" as the reason for leaving their last job. More important, 60 percent of the 62- to 64-year-old male retirees and two-thirds of the women retirees of that age, who were given reduced benefits in 1968, were not employed at the time of the award. These studies indicate that a major proportion of these were forced out rather than voluntary retirees.

The NCOA/Harris study (NCOA, 1975), notes that "the high unemployment rate among people approaching standard retirement age is striking," and suggests that older people in their late 50's and early 60's have a serious problem finding jobs. Parnes (1977) believes that displaced older workers in all occupational and educational categories are a large enough group to call themselves unemployed, and instead call themselves retired. Kasschau (1976) concluded that retirement decisions seem to be heavily determined by economic forces, rather than by choices the worker makes. In his 1971 White House Conference on Aging background paper, this speaker noted that the rising proportion of males, especially black males, classified as out of the labor force rather than unemployed before conventional retirement ages are reached may mean that a relatively large proportion of those so classified were actually discouraged workers and that the "out of the labor force" designation consists largely of those "involuntarily retired" or forced out. This is suggested by examining the industrial, occupational and educational profiles of those classified as out of the labor force as contrasted with those who remained in the labor force (Sobel, 1971).

c. Individual factors

The third independent factor is the individual, or characteristics unique to the worker. Within this last grouping are factors bearing on the retirement decision both of a personal nature, e.g., age, sex, health status, assets held, and of an attitudinal and motivational nature, such as family and peer pressure toward retirement and self-assessment of health status and ability to work.

(1) *Prevalence of early retirement.*—Both government and industry attest to the small number of employees who wait for the retirement age. In the Federal service, for example, the average age of employees retiring has declined from 63.2 in fiscal year 1970 to 58.3 in fiscal year 1977 (Campbell, 1978). In 1974, 72 percent of all new awards made to retired workers in the social security system were reduced benefits (67.3 male and 78.9 female). Age 62 was by far the most common age (U.S. House of Representatives, 1977).

(2) *Social reasons for retirment.*—The primary reason for early retirements is generally attributed to eligibility for a pension and the desire for leisure time for other interests. But, as the cost of idleness study (U.S. House of Representatives, 1977) points out, "Since the companies who testified based their observations on a comparison of the number of retirees and changes in the pension plans and not on actual studies of retirees, the eligibility reason is probably a secondary reason in many cases." Other studies (Barfield and Morgan, 1969) confirm that adequate income is a paramount factor influencing the retirement decision.

Age itself is also of great importance in generating pressure to retire partly, as Atchley (1976) suggests, because of prejudice and discrimination against older workers and because of societal expectations that older people should retire to make way for younger people.

There are also a wide range of other social variables which influence the retirement decision—attitudes toward the job and toward retirement, and attitudes of the family toward retirement. They (Atchley, 1976; Palmore, 1965) also found that martial status, health, education, race, religion and living conditions influence the decision.

Further, these factors, vary, as Simpson, Back and McKinney (1966) and Atchley (1976) found, by type of work and income level. Upper white collar jobs tend to foster a high degree of job commitment, but the degree of commitment involved in middle-stratum jobs, such as clerk, salesman or skilled worker, is much more circumstantial. The semiskilled and unskilled jobs, such as operatives or

service workers offer few rewards other than money. Atchley concluded that "the overwhelming majority of jobs are routine and unchallenging positions which people fill mainly in order to get the money necessary to do other things." But this may be exaggerated and other research suggests different explanations. A recent survey by the National Family Opinion, Inc., a nonprofit research group, found that 59 percent of blue collar respondents were "satisfied" with their jobs, and another 28 percent "very satisfied" (Causey, 1978). Recent studies would suggest that many semiskilled and unskilled jobs regarded as boring and uninteresting to outsiders have a much different significance attached to them by the incumbents of these jobs. The social contacts on the job, the camaraderie with fellow workers, and the role of a job as the focus of daily activity, all positive effects even of lower level jobs have traditionally tended to be disregarded by social scientists in favor of arguments stressing job monotony and alienation.

An analysis of these recent studies may yield insight of a predictive nature in regard to the likely retirement trends in the future. It is clear, as Atchley says, "that much more research is necessary in order to know the exact nature of the links between people and their jobs."

(3) *Attitudinal reasons for retirement.*—Data on attitudinal changes affecting the retirement decision are inconclusive and often contradictory. Attitudes in society toward retirement have changed from the 1950's, when only poor health seemed an adequate reason for quitting work, to the 1970's when retirement was viewed as a reward due to a person for a lifetime of work, an earned privilege and opportunity (Atchley, 1976).

As for the individual retirement decision, studies (Streib and Schneider, 1971) indicate that about half the people tend to regard retirement positively. Again, however, attitudes are related to income level, education, the type of job the person is leaving, as well as the alternatives to work the given person may perceive.

Attitudes toward work are also heavily contingent on the money factor; however, "being useful" was cited by interviewees more often than money as a reason to work for women 65 or more who are still in the labor force. The NCOA/Harris survey of those 65 and over revealed that 31 percent (or almost 4 million retirees) would like jobs. The percentages—43 percent for blacks and 42 percent for whites—were higher for those over 65 with incomes below $3,000 and/or who were unemployed. Of the black respondents, 57 percent had incomes below $3,000 compared to 23 percent of older whites.

Health is often cited by retirees as the reason for quitting (Social Security Administration survey, Meier, 1976; Andrisani, 1977), but longevity has increased; and the improved health of each succeeding generation has certainly suggested that physical incapacity may be stated because it is a more socially acceptable reason for not working than being unemployed or retired. Given this, the greater availability of disability plans may in fact encourage early retirement (Haber, 1970; Meier, 1976). The American Medical Association (1972) found a reverse causal relationship between health and unemployment. "There is ample clinical evidence that physical and emotional problems can be precipitated or exacerbated by denial of employment opportunities."

Next to poor health, the reason for not working most frequently given in the NCOA/Harris survey by those over 65 years was "too old." As indicated above, this is the result, no doubt, of structuring into the social system the 65 retirement age. "The apparent problem for many older Americans," the survey concluded, "is not that they themselves feel that they are too old to work, but rather that they have been told they are."

As for the ability to work, Meier and Kerr (1976) found that "the physical demands of most jobs today are well below the capacities of most normal aging workers (Laufer and Fowler, 1972). Properly placed, older workers function effectively and have greater stability on the job, fewer accidents and fewer absences than younger workers. At least 20 studies show that vocabulary, general information and judgment either rise or never fall after age 60. Generally, older workers are more satisfied with their jobs than younger workers. The Department of Labor is satisfied the "no consistent pattern of superior performance or productivity of one age group over another has been demonstrated. Indeed, greater variation exists within age groups than between them" (Employment and Training Report to the President, 1978).

Knowledge Building Objectives

The coherent overall policy which is necessary to improve the lives of older persons, can only be knowledge and analysis reflecting systematic research. Such systemization will require the accumulation and organization of knowledge relevant to finding answers regarding:

(1) Causes and determinants of retirement decisions as indicated in existing studies.

(2) Structural aspects of the economy and society, including the way in which productivity increases from technological development, impact particularly on older members of the labor force.

(3) The extent to which expectations of a continued high rate of inflation has already changed attitudes toward early retirement.

(4) The extent to which change in the economic and social trends will stimulate new employment patterns among older persons.

(5) The impact of changes in employment and retirement trends upon personnel policy and collective bargaining.

(6) The extent to which recent innovations such as second careers, volunteer service, retirement planning programs, corporate and union sabbatical leave options and adaptations by educational institutions in developing degree and nondegree programs for older entrants into the system, impact upon continuation of employment and/or retirement decisions.

The following questions relate specifically to the 1978 ADEA amendments:

(7) The number of persons who would have been immediately affected by the 1978 amendments.

(8) The number of persons who would have been affected in the relatively short run period (4 to 5 years) by mandatory retirement provisions had the 1978 amendments not been enacted.

(9) Retirement trends in economic sectors which did not have either mandatory retirement policies or provision in collective bargaining agreements prior to the 1978 amendments.

(10) The extent to which performance appraisal methods and procedures are refined and modified to encompass older workers to enable their retention.

Senator CHILES. Now we will hear from Paul E. Wilson, curriculum resource teacher, Community Instructional Services, Orange County Public Schools, Orlando, Fla.

Mrs. JENKINS. I would just like to clarify in my mind, you said something about if you had at least $3,000 you could not qualify?

Dr. SOBEL. No. I said that people who had retirement incomes around $3,000 and below/——

Mrs. JENKINS. That is the poverty level. You are talking about the poverty level. Why should senior citizens be at the poverty level? That is one of the main problems now, the poverty level.

STATEMENT OF PAUL E. WILSON, LONGWOOD, FLA., CURRICULUM RESOURCE TEACHER, COMMUNITY INSTRUCTIONAL SERVICES, ORANGE COUNTY, FLA., PUBLIC SCHOOLS

Mr. WILSON. Senator, I would like to make a couple remarks about myself so you know where I come from, and it might put me in a better perspective as to what I am about to say. The doctor included me in several of his categories.

I joined the Marine Corps at 17 and after 35 years retired as a colonel in 1977. I came down here and I began looking for something to do. People said, "Well, we don't know really what you can do." I started to go to school. Since I arrived here, I have obtained a masters in

English literature at night. I have almost completed a masters in vocational education, and I hope to go in a doctoral program in the fall, particularly dealing with the adult education for senior citizens, that sort of thing.

I retired mainly because I was burned out. My legs are full of metal from the various three wars. I wanted to find something a little quieter. I started teaching classes with the Orange County school system in the community instructional services program. One of the courses that I still teach—I have about 100 people in this course, and the average age is 78; my senior student, my oldest, is 102.

I had to cut back in the number of classes I taught at night. The average age was 67, 68, and there are some there in their 80's. The 102-year-old lady, by the way, is teriffic. She walks a mile or two every morning, and every Monday she is there, she is ready to ask questions, she is really with it.

I am involved in the community instructional services program. I became a full-time employee of Orange County recently. I think it has a program you should look into. It has a unique flexibility, more than I have been able to find in other parts of the United States. I will read you just a short definition out of the regulations:

> The service is a planned, noncredit instructional activity course, a program which is based on the significant community problem determined as proscribed below. It probes the environment, health, safety, and so forth.
>
> Furthermore, persons participating in the course will acquire an increased understanding of the specific community problem and the alternatives for the solution. Persons participating in the course will acquire knowledge and skills which they need in order to cope with and to help solve the community problems.

Finally, the regulation I think David Islitzer missed, "The objectives of the courses are other than the development of recreational and lesser timely skills."

In the past year, I worked for Orange and Osceola County School Boards doing an educational needs assessment for this program. I talked personally with a great many people, 400 or 500 people. I have taken a survey that has had about 1,800 returns. I spoke with a large number of groups, including an extremely large group at the AARP here in Orlando, and I found several things. Today, I have listened to testimony in this area, specifically because that is what I think I know most about it.

Since 1971, the population ages in our area in Florida, in the State of Florida, 21.6 percent of the people were 45 to 64, and 15 percent were 65 and over. In 1979, the 45 to 60 population was 20.9; 65 and over was 18.1. The increase in population in those two categories was 20.7 percent, 45 to 64, and 50.9 percent, as far as the population 65 and over.

Talking specifically about Orange County, its population in 1970, the 45 to 64 age group, was 20 percent; 65 and over was 9.7. Osceola County, 21.4 percent 45 to 64; and 22 percent were 65 or over. In 1979, the population 45 to 64 was 21.5; 65 and over is 10.5, and in Osceola County the 45 to 65 is 22.4, and the population now, the increase has brought them up to 21.3. In other words, Osceola County has had a 50-percent increase in the past 10 years and 45.9 percent of that increase has been of people 65 and over.

In this area, I took the region because I dealt with Orange and Osceola Counties. If you take that figure and you go through the same process, you will find that in the 45 to 65 age group there has been a 36-percent increase in the population in this region and in the 65 and over a 37.5-percent increase which is a tremendous growth as far as those particular populations are concerned.

In the course of my going through here and talking to these people, I was mainly trying to find how these problems lined up, but I learned a great many other things at the same time.

Most everybody was concerned with health. This is only natural, because the majority of the people I talked to were involved with senior citizens. Childbearing was second, and in the survey I took, out of 1,800 people that responded, I found that if it had not been for the senior citizens at the other end of the line, childbearing would have been the most important problem.

In talking to the people at the community, I don't consider myself a senior citizen because I don't qualify yet. I am 55. They would say to me, we would like to learn a little more about retirement. It is sort of like the old sergeant major story who says, "Now I am a sergeant major and I used to not be even able to spell it and now I are one."

People who would find themselves suddenly retired even though they retired from big companies, large corporations, they have meetings but they don't attend the meetings, they are not interested, and suddenly they retire and they go somewhere and they say, "Hey, what do I do now. Even though I are retired, I are one, and I don't really know how to handle it."

One of the programs that I would like to suggest that we put into this community instructional services would be a retirement type/instructional type program. OK, you have retired but you have suddenly discovered there are a lot of problems you didn't think about. We are trying to develop a program like that now.

At the same time I talked to quite a few people who said, "Look, I am not sure what kind of job I would like to do. I don't want to do what I did because I did that for 30 years and the result of that is that I would like to be able to start a course." I have already talked to our folks in the community instructional services program. We are going to try to set up a course basically that will be able to talk about various types of training they could get, types of positions that they could go into. We are trying to work with our vocational resources that we may be able to develop special courses for these people.

In our case, by the way, community instructional services programs are all free, the funds are provided by the State. Our target population is mainly senior citizens. It does not have to be senior citizens but most of our target population is because they are available.

I think that the community instructional services program is a perfect vehicle that can be used for this kind of thing in the future and we are investigating. So when Dave says nobody is doing a great deal, we are going to do a great deal as a result of this survey. I would suggest further, in this area, one of our major problems is that we are going to have to do it one way or the other, because we are running out of people at the end of the scale.

Our school population has gone down in Orange County. It has just about remained even in spite of a great influx of population. The people are coming in to go to school, they are not getting married, and they are not having the children.

Our race situation has remained 13.6 percent in 1970. As of the latest census information, it is 13.1. We have a large number of Hispanics coming in, and they also have senior citizens who are really in bad shape because many of them can't even speak English. There are many more here who came long before the Cuban thing. We have 5,000 to 6,000 maybe 10,000 or 15,000 in this area. The migrant workers no longer just migrate, many of them leave their families here so they have a permanent representation in the community. Many of them have the same problems that other people do.

I think that what I would end up with is that although it is just a start, I believe in the State of Florida, and particularly in our area here, in view of the fact that we have so many senior citizens, the fact that we have a lessening pool available of younger people, particularly in Osceola County, a lot of people kid about the fact, "When my kid gets to be able to thumb his way out of town he leaves," and that is pretty well borne out by the statistics. So they have to have people down there to work.

The tourist attractions need people. Sea World and Florida Festival offer a lot of opportunity. We would like to feel our way into a program in which we could assist in various ways. Perhaps programs not quite like the Latch Key program but a lot of these tourist attractions and big motels and hotels need people to take care of children for parents who come down here for a holiday.

If we could run a program, we could teach people about emergency medical assistance. Maybe we could get some of the hotels to call on these people who would be certified as having this training. We would like to have people who could go into certain sales organizations who don't have young people any more. I think there is a great deal to be done. I talked today, just a few minutes before the hearings here, and I think we have a great deal to offer, and I think this is an ideal program, and I hope we get on with it.

Senator CHILES. We thank you very much. I think you have raised some very interesting ideas.

Our last panel, but by no means our least, will be Mr. Sims who is director of franchise relations, Snelling & Snelling, Inc., which is a large national employment agency, and Janet Roberts who is executive director of the Women's Survival Center of Tampa, Fla. I think the Survival Center is a very interesting concept. My understanding is, Janet, that you run a very successful job service for displaced homemakers. So we are delighted and thank you both for your patience here today. We are delighted to hear from you. We will start off with you, Janet.

STATEMENT OF JANET ROBERTS, EXECUTIVE DIRECTOR, WOMEN'S SURVIVAL CENTER, TAMPA, FLA.

Ms. ROBERTS. Thank you. I felt a little uncomfortable when I saw Women's Survival on this with all these other prestigious names, but I am glad to be here.

Senator CHILES. Tell us something about the center and what you do.

Ms. ROBERTS. All right. The Women's Survival Center is a private, nonprofit agency that has been funded for 2 years now—in fact, tomorrow is our birthday—to serve displaced homemakers. We have branched out in helping other women. We were fundamentally opened to serve the displaced homemaker and the woman over 35 who has spent a substantial period of her time in the home as a homemaker and through widowhood, divorce, or separation and is no longer able to depend on her spouse's income.

I know others have avoided this and some have not, and I wish they had, but I do want to give you some statistics. It is a brief profile of our client that I don't think is available elsewhere.

First, I want to tell you that 17 percent of our women are over 50 and 10 percent are 55, and 4 percent are over 60, which means one-third of our women are over 50 years of age. A profile of our clients is white, high school graduate, divorced after at least 15 years of marriage to one and only spouse, and having led a previously middle to upper class background lifestyle.

Approximately 35 percent of our clients upon intake have no monthly income at all. Another 40 percent have less than $425 monthly.

Of those clients working, 18 percent earn a salary below $4,000 per year, 54.5 percent earn $4,000 to $8,000 and 27 percent earn $8,000 to $12,000.

We also have some statistics that mates, although this is reported by exwives, I believe it has some validity, 17 percent of them make under $12,000 a year, 36 percent between $12,000 and $20,000, and 47 percent earn over $20,000 a year. Yet, 35 percent of the women coming through our door have zero income level.

WSC provides very strong client advocacy and this has resulted in a job placement record of 76 percent of those women who go through a job counseling and placement program. Some of that success is due to advocacy with employers on a 1-to-1 basis. It is also due to the support and the belief we have that those women are of value. One such success story is our 57-year-old nurse who was referred from a gerontology program at the Florida Mental Health Institute. She was widowed, feeling useless, depressed, and had attempted suicide. The emotional support from the other women in class boosted her confidence. We worked and dealt with the bureaucratic details that overwhelmed her regarding getting her LPN license back and provided employer advocacy that resulted in her becoming the supervisor of a wing of a 240-member nursing home facility. She moved to a housing area for senior citizens and brought her boy friend to our last potluck supper. She had skills, but needed emotional support and advocacy.

Another woman, 61 years of age, was invading her small savings and in declining health due in large part to her feeling of uselessness and hopelessness. Through WSC she was subsidized through clerical training and now works for a woman attorney. Many training programs do not recruit or even encourage older women because of difficulty in job placements which lowers their success rate.

There are roadblocks. Many job placements are minimum wage, which puts living at the barely survival level. Clients make telephone contact with prospective employers, feel high about their possibility, and then watch the employer's face fall when they walk into the room. Documentation is difficult, employers do not make candid statements about their reluctance to hire older workers.

WSC has a nontraditional job training program for women. We found skilled trades apprenticeship programs closed to women over 26 years of age. CETA sponsors, which fund a large part of our job training programs at this point in time, do rely on job placements for future funding. They cannot get their funding next year unless there are high placements. I want CETA regulations changed in order that displaced homemakers can be eligible. There is an income criteria that counts the household income over the past 6 months and annualizes it.

Displaced homemakers are discriminated against. Their husbands may have been in the home within the last 6 months and that income makes them ineligible for any CETA training programs, although 35 percent have zero income themselves. I really would like to address that if you know anybody with pull with CETA regulations.

WSC is approaching private funding sources to subsidize internship programs which allow a woman 10 weeks or 20 hours per week employment to give her an opportunity to show the employer what she can do. We want those kinds of stipends for our women. We also advocate preference points on civil service exams for those women who served in the home when it was their duty to do so. As it is now I think it was given for veterans who served during the war because it was then thought it was their duty.

Retirement benefits are so very, very important. We also support the recent tax credits for employers who hire displaced homemakers.

However, it is my belief that the whole approach to the problems of aging are piecemeal. In Tampa alone, we have several different programs going. There is no coordination between them, everyone gets this one little specific part to that person and I believe what we need is something comprehensive.

Are you John Edie? When John called me, I said I don't have any creative solutions to this problem, but I did give some thought to it. I did some local research. One of the areas that should be working with keeping people in the work force is the employee assistance programs. I know about those since we work with women who use prescription drugs, so we have had contacts with those kinds of programs.

They are not addressing the older worker problem. Mainly they are making efforts with 5 or 6 percent of their employees who cause 75 to 80 percent of the loss of production. Focusing on assisting the older workers would prevent losing valued skills and the cost of retraining people. I think employee assistance programs would be a good place to do something comprehensively.

I believe very much in getting persons who are being served involved in the program planning, the program design, and I would advocate that industries have advisory committees of their older workers to give valuable input based on their life experiences. I also believe that we should address the whole belief system of top management people who hire and promote who believe that aging is indeed deterioration. I don't believe that is so. We talked about some of the myths of aging here today. Another one is the menopausal depression myth regarding women in this country. If we look at some of the other societies in which the aging have valued roles, you will not find menopausal depression. This is not something that is natural, this is not biological. This is something that is due to our society not valuing that person.

There is information on myths like this, on nutrition, on hygiene, on physical condition that can be disseminated by employee assistance programs to help older workers maintain their production rates.

Employee assistance programs could also benefit from information such as there is data to support that older people sleep less, arising earlier. There is something else, the sundown syndrome, which means that when the day goes on older people become more and more confused in their thinking. These problems could be addressed with earlier working hours, having them come in earlier and go home earlier.

I also think that interpersonal behaviors that make older workers adverse to younger workers could be dealt with. An example of that is the 50-year-old woman we had at our center who had been on psychotropic medication, major tranquilizers. She had a bachelor's degree in sociology and was divorced at 40. She is now 50. If you could meet Winnie, you would think she is bizarre. She can think and do a job. She does not smile; she holds the upper part of her body very rigid. Who wants to work with her? We have video taped her. We have told her simple things, like when she looks at someone, to look away every now and then, to smile, to move her body. We have made video tapes, and I ask you to come down and look at them. Employee assistance programs could do similar behavior changes with the elderly so others are more comfortable working with them.

I am also very much in favor of self-help, and that is a big part of the program at one survival center. We have a home improvement project that got funded because displaced homemakers in their fifties believed they indeed could do their own home repairs following divorce. They can just barely make the mortgage payments and not afford repairs. They got together and on the first home, they put on a roof and painted the whole exterior. Channel 13 was down there and taped it.

The building inspector came in and asked who did the work. The women said "The work co-op." The inspector said, "Yeah. Yeah. But who really did the work?" That came to the attention of the area aging counseling in Tampa and we were requested to put in a proposal for home improvement for the elderly which is a really nice tie-in. We just got the award of that grant and will begin it in August.

What we are doing is emergency home repair, weatherization, retrofit on homes owned by the elderly and we are using displaced homemaker work crews. We will go in and look at the people that live there. We are going to try to coordinate services on our own that is available. If we find somebody there whose hot water does not work, and we cannot get it to work, maybe we will put them in touch with the program in Tampa that gives you electric blankets to keep you warm, and there is such a program.

We also believe that senior citizens in their fifties doing this kind of work are going to start to believe that, yes, indeed, I can do it for myself, and we are hoping to have a spinoff called the "senior citizens work co-op" come out of this project which only lasts 8 months, but we are going to work real hard at doing that.

That is it.

Senator CHILES. Thank you very much.

Mrs. JENKINS. Did you not say that the displaced woman who lived in a home with income for the past 6 months is not eligible for your program?

Senator CHILES. No; she said for CETA.

Ms. KIRSCHSTEIN. That is tied in with CETA?

Ms. ROBERTS. No; we have a displaced program that is open to anybody regardless of income. We don't have any guidelines at all except displaced homemaker.

Ms. KIRSCHSTEIN. But you have to be displaced.

Ms. ROBERTS. No; you can be anything but married. In fact, we have even sneaked them in if they are struggling. What we will do is, you just have to be over 35, widowed, separated, or divorced.

Ms. KIRSCHSTEIN. Maybe this has changed, but a few years ago, I tried to go into this program and that was the rule at the time. Now on this program on TV last night about abused wives—I don't know whether anyone here saw that but they had a shelter for the wives. The one little black girl went in and asked for help. They said if she had a husband and a job she should go back because they would not give her financial aid and shelter. At that time, she went back home that night before her next monthly period time and got pregnant and her hands were tied for the next 9 months.

A few years ago, aren't you the same misplaced homemakers that were down by the Sun Bank or used to be down there?

Ms. ROBERTS. No. We were just formed July 1978, 2 years ago.

Ms. KIRSCHSTEIN. It is a different program?

Ms. ROBERTS. Yes.

Ms. KIRSCHSTEIN. I am sorry. But to see such stipulations as this, this is kind of like the welfare idea.

Ms. ROBERTS. Yes. I agree with you there are so many regulations that hamstring when so many things that need to be done. We are fortunate to have open funding.

Senator CHILES. Mr. Sims.

STATEMENT OF STARK M. SIMS, DIRECTOR OF FRANCHISE RELATIONS, SNELLING & SNELLING, INC., SARASOTA, FLA.

Mr. SIMS. Thank you, Senator Chiles.

Briefly, I want to tell you what my job at Snelling & Snelling is, and a little idea if you are not familiar with Snelling & Snelling as to what they do, too.

As the Senator said, I am a director of franchise relations for Snelling & Snelling, Inc. It is my job to act as liaison between the Snelling & Snelling headquarters and their franchises. My area of responsibility includes Alabama, Florida, Georgia, Mississippi, and Puerto Rico. This area, at this time, involves approximately 82 offices.

Snelling & Snelling began in 1951 in Paoli, Pa., which is a suburb of Philadelphia. Since that time, Snelling & Snelling has been a leader in the employment service profession. In 1976, Snelling & Snelling relocated their international headquarters to Sarasota, Fla. At this time, we have approximately 682 franchises throughout the United States, Brazil, and Puerto Rico.

Last year, these Snelling & Snelling offices saw 826,000 registrants and placed over 109,000. In Florida, our offices saw 38,000 registrants and placed over 4,200. We placed people in varous positions from the clerical, secretarial, sales, and administrative, to the technical areas such as engineers and computer analysis, analysts, and so forth.

Since its inception, it has always been the philosophy and policy of Snelling & Snelling to place people. This means that we strive to place all people regardless of race, religion, sex, national origin, or age. Florida, as other Sunbelt areas, has always been attractive to retired and semiretired persons.

Although they have been retired, many senior citizens still have this need and desire to continue to contribute to society. Consequently, they still want to work. There are jobs for those who desire to work, and as we all know, those who work are much less a of strain on our taxed social security system in this country.

Older Americans can contribute an abundance of knowledge, not only from their job experience, but also their experience in life. Their vast knowledge gained in management positions, supervisory positions, executive experience, and various other areas is an invaluable tool in a complicated work environment.

The senior citizen worker is more dependable and reliable to the employer. They also have a greater sense of responsibility. In many cases, they have raised their own families and have sent them out on their own, and now they have the time to devote to a full- or part-time job. They take pride in their work and strive for a job well done. I am sure all of you have observed older Americans in various jobs. I don't believe any of us ask the age of a person before we make an airline reservation with them. We just want the job to be done and done right. The ability to do these and other jobs is not and should not be dependent on age.

Let us not forget the senior citizens buy airline tickets, automobiles, clothing, purchase homes, and use hotels and motels, Consequently, these consumers like to see their generation represented in their areas of interest, too. We at Snelling & Snelling find that it is a continual selling job to get the employer to hire older workers. We strive to educate the employer as to the tremendous asset available to them in the older generation.

Fortunately, we have begun to see some light at the end of the tunnel. As I mentioned earlier, it has been the policy of Snelling & Snelling to place all persons regardless of age. Consequently, our job applications are designed in such a way that there is no space made available for age. When an employer asks for the age of the registrants we cannot give this information because it is not available on our applications. In this way we can be honest, not only with our employer, but also to our registrants.

The important thing is to get that person a job. If a person is qualified for the job, we make every effort to get that person out on a face-to-face interview. The time has come when people should take their heads out of the sand and realize that we have an invaluable asset right at our doorstep, our senior citizens. We need to bring pride back into our vocabulary. Strides to make room for the younger generation should in itself be pushed aside.

There is no reason why our older and younger generations cannot work together for a better way. Senior citizens can make a tremendous contribution to our country and they should have this opportunity.

Thank you.

Senator CHILES. Ms. Roberts, in your crisis survival programs, are there others in operation in the State?

Ms. ROBERTS. I believe there are now seven funded. This is funded through the displaced homemaker bill. We were the only private nonprofit before, now there are three more, so there are seven. There is Higher Education Act money that also funds some of our colleges. I think the free standing agency in the community is the best. I have to go plugging for that one.

Senator CHILES. What other funding do you get?

Ms. ROBERTS. Adult basic education has really been innovative in funding our classroom instructors who are teaching these job survival skills. We also have our CETA funding, CETA title II–B which is discriminatory. We do get some displaced homemakers, but we have younger women.

We have the National Institute on Drug Abuse. They fund a prescription abuse program. I am always busy chasing the funds. Some private money—$4,000—is coming from the county. I am trying to get them to feel embarrassed about that.

Senator CHILES. Are you getting any other local funding?

Ms. ROBERTS. Our biggest is the NIDA funds which come through HRS.

Senator CHILES. The United Way?

Ms. ROBERTS. United Way? No, local HRS district office.

Senator CHILES. Have you made application for United Way? Is United Way in Tampa?

Ms. ROBERTS. Yes. I have also been director of another women's agency prior to this one. There is a problem with having fundraising drives and our board is wanting to raise some money for the house. We have some, they don't want to be restricted.

Senator CHILES. You want to have your own private fundraising?

Ms. ROBERTS. Yes; which would compete with theirs.

Senator CHILES. How did you select your board?

Ms. ROBERTS. Primarily, they came from various areas, professionals working in social services. Some influential business leaders continue to come to the meetings, and State legislators, and others.

Senator CHILES. Are they any help to you?

Ms. ROBERTS. They are a help. They don't come to the meetings, but I can call them and they are there with $500 for small business development, or something.

Senator CHILES. They help you when you need it?

Ms. ROBERTS. Yes.

Senator CHILES. So it is worthwhile having them on your board?

Ms. ROBERTS. Yes. Our most vital board is our clients advisory board. There are 15 clients who have been through the program, and I meet with them every month. They have organized so many self-help activities: the work co-op, the art gallery, the low-interest loans.

Senator CHILES. Very good. We thank you both very much.

I want to thank everybody that has attended, and I certainly want to thank, especially, Dorothy Gordon for making this room available to us and helping us with so much. Dorothy, thank you very much. We appreciate your help.

I understand that we have had people from 10 of the 13 nutrition sites here, and I guess we wore out some of our people that we had here. We have got some more people that I wanted to mention. Vivian Beltz. Is she still here?

Thank you very much for your help, and everybody else whose name I don't recall.

Now is there anybody here that has been patient enough to sit through the testimony that wants to give us any more information before we close the hearing? Yes, sir.

Mr. FULLER. I ask a question.

Senator CHILES. Fine.

Mr. FULLER. Will anything be done to remove the lid on earnings while you are under social security?

Senator CHILES. The question is on the removing of the lid on earnings. As you know, we have raised the permissible ceiling, and I think Congress is looking at that again. This is part of the issues that are being included in the studies that are being done by several of the advisory commissions, and we expect to get those reports this year, and I think that will be the basis of looking at that. The White House Conference on Aging that is also going to take place next year will probably be the impetus for the next move that is done in that regard.

Mr. FULLER. It does not sound like it is imminent though?

Senator CHILES. I don't think it is immediately imminent, but I think that we will be looking at it probably the next year.

Mr. FULLER. I feel it is related to this whole thing.

Senator CHILES. It is.

Mr. FULLER. Penalize a man because he has to work. I notice on your sheet there you said he wanted to work. A lot of people don't want to work but have to work to supplement their social security.

Senator CHILES. I think it is definitely related.

Mr. FULLER. Turn around and be penalized.

Senator CHILES. I think it definitely is. Yes, sir.

Mr. RODE. A person that is in good shape, working by himself, what kind of help can he get when you have some of the local regulations?

Senator CHILES. That is the guy we tax, tax, tax.

Mr. RODE. [illegible]

Senator CHILES. That is the fellow we tax, tax, tax.

Mr. RODE. Tax, tax.

Senator CHILES. That is what I hear all the time, that they are the persons that have to pay all the burdens.

Mr. RODE. Well, I don't know.

Senator CHILES. Are you talking about the kind of relief from regulations or paperwork?

Mr. RODE. That is part of it, but also when someone does start a business, because he is forced into it, because of something that has happened, because of our local laws, and then discrepancies in the police actions, and that so where I have not even filed a return in the last 25 years, and I can't get an investigation on it. The FBI had been called in on it. This happened approximately 30 years ago, and I have been forced to work by myself because I will not file an income tax return unless something is done about it. I want an investigation, and I can't get it as an individual, it is impossible.

Senator CHILES. All right, sir. I would like to talk to you a minute or have somebody talk to you a minute afterwards. I am not going to tell anybody you didn't file a return.

Yes, ma'am.

Ms. NOBLE. I am Mary Jane Noble with the Orange County Advisory Board, Mr. Chairman. We do now have a center where we

have been working on for about a year and a half. I hope you will cover a lot of these things in the job opportunities.

Senator CHILES. Wonderful. I am delighted to hear that you are going to have that.

I am sorry that Lamar left before I got a chance to raise that, but you tell him that I mentioned it. I think the point is very valid that was made here, and I have listened to it today from the audience. It is amazing how many people don't know some of the services that are available here, and hopefully the center can do that. It can be the focal point for putting that information out, because it is one thing not to have any kind of service, that is the problem, but it is even worse, I think, when the services are there and the people don't know about them.

Ms. NOBLE. We work very hard and this is going to be large enough so we will be able to include all of these things in sort of an umbrella, because we find that seniors get so discouraged trying to go one place and then another place.

Senator CHILES. Absolutely.

Ms. NOBLE. That is what our objective was, to get all of these things under one roof. I think education as you mentioned, people say to me all the time, I don't know, I didn't know about that or didn't know about something else.

Senator CHILES. Yes, ma'am. We are pleased to have you here.

Mr. WILLIAMS. Senator, I just wanted to ask about World War I veterans. I am 91 years old. I need to work, but nobody wants to hire a person of that age. My social security is not adequate for my needs. My veteran's pension has practically been cut out. I only get $6.25 per month and $1.25 of that or 25 percent was a raise that you all gave us some few months ago. I would like to know, is there anything in the Congress brewing about World War I veterans? It seems that they have been neglected.

Senator CHILES. Yes, sir. I think you are right, and I personally think that we ought to be doing something about them, and I am going to try to do what I can to see that we make some recognition for our World War I veterans. I will assure you that I will work on that.

Mr. WILLIAMS. I want to thank you. I just want to make this comment. When I was 9 years of age—I cannot recall the name of it now, but it came to a close in 1898.

Senator CHILES. Spanish-American War.

Mr. WILLIAMS. Yes.

Senator CHILES. I read about that in history.

Mr. WILLIAMS. I was 9 years old when it closed. Those veterans were adequately cared for by the Congress of the United States. They were given a monthly income sufficiently large enough for them to live on without having to look for other means of income, and the amount the Congress gave them was equivalent to our income of about $2,000 a month. Congress gave them $135, I believe, per month at that time, and of course everything was very cheap.

Senator CHILES. You could buy a lot at that time.

Mr. WILLIAMS. Yes. You could buy a frying-sized chicken for 12½ cents, two for a quarter, and a pound of meat, ham, for 10 cents, and so forth. But now, with the high prices, that amount compared to what we are paid now is the equivalent of around $125 a month. So I

would like for you to tell the Congress and the President when he comes back, to please don't forget the World War I veterans because, to use ordinary street parlance, we caught particular hell. Thank you.

Senator CHILES. I am sure that you did and I thank you.

Tomi, I am going to close with you. Our court reporter says she has to close up her machine.

Ms. CROFUT. I would like you to be aware of the fact that State Representative Hazouri sponsored a bill during the recently completed legislative session pertinent to mandatory age based retirement which would conform the Florida statutes to the Federal statutes. State Senator MacKay sponsored the companion Senate bill. Both of the bills stalled out on respective calendars.

Senator CHILES. No, I didn't know that.

Ms. CROFUT. The upcoming "silver-haired legislature," I am sure, will sponsor and pass a version of this needed legislation. And with the continued input of Congressman Pepper and retired Congressman Bob Sikes, its passage during the next State legislative session is probable. It was defeated by industrial lobbyists who moved more quickly than we did. That is why I called upon Congressmen Pepper and Sikes to testify, but we simply ran out of session.

As volunteer lobbyists, we are inviolate in our lobbying efforts. We have joined a coalition with other people lobbyists, the Good Peoples Lobby, formed with the assistance of State Senator Jack Gordon. I believe we will move it through the next State legislative session. We, in the "silver-haired legislature," believe mandatory age-based retirement is un-American. Federal statutes exempt private industry's "executive category" if the pension is in the approximate vicinity of $27,000 per annum. That is similar to what we will sponsor in the "silver-haired legislature" and attempt to pass through the State legislature. We shall attempt to conform Florida statutes to the Federal statutes.

I have with me the testimony of Congressman Bob Sikes to the commerce committee of the Florida senate. He asked that I deliver it to you.

Senator CHILES. Thank you, ma'am. We will put that in the record.

[The statement of former Congressman Bob Sikes follows:]

STATEMENT OF FORMER CONGRESSMAN BOB SIKES

I am past 70. I have been blessed with good health. I continue to be active. I believe I am qualified to speak on the issue now before this distinguished committee.

To me, the major problem is not the additional years a limited number of people will work. A far greater issue is the steadily increasing liability, year by year, to social security and private pension funds. This bill will have very little impact on that problem. It could help.

It has been claimed that no one would benefit from the proposed change in the law. On the contrary, it should be obvious that everyone would benefit; perhaps most of all those who oppose the enactment of the measure before you. The additional cost to business, if any, will be more than offset by expertise and experience in lieu of training periods for new employees.

Let me give you an illustration. Pensacola has had some good postmasters. The best, in my opinion, was Ashton Brosnaham. He was past 55 when he got the job. The department initially opposed his appointment because he would soon reach retirement age. When he reached it, he was doing such a good job, his age wasn't mentioned. He served until well past 70 and when he retired it was on his own volition.

It is what is in a person that counts; not how old he is.

We are in an expanding, not shrinking economy. Most American firms are growing. It isn't just a matter of filling a vacancy which is created when an older person retires. If the dream of a great America continues to hold true, and it must, there will be several jobs to fill for each retiree.

If we reach the point that there will be no jobs in our Nation except when someone retires, it will be too late to worry about the age of the retiree.

Retirement benefits do not increase indefinitely. There is a limit. The employer of a qualified person older than retirement age makes money because benefits do not continue to increase.

Industry which comes to Florida is seeking skills, experience, and dependability. These are found in older people, too.

I do not believe for a moment that my beloved State, the great and progressive State I have served for so many years, will now discriminate against those who are approaching the sunset of life, but who still seek to and are capable of contributing to progress and a better tomorrow.

I am glad to have been privileged to submit this statement for your consideration.

Senator CHILES. We also have a statement from Representative Dick J. Batchelor from the Florida House of Representatives, and we will put that in the record, too.

[The statement of Representative Batchelor follows:]

STATEMENT OF REPRESENTATIVE DICK J. BATCHELOR, CHAIRMAN, COMMITTEE ON HEALTH AND REHABILITATIVE SERVICES, FLORIDA HOUSE OF REPRESENTATIVES

I am delighted to have the opportunity to share my concerns about mandatory retirement with committee members. As Chairman of Florida's House Health and Rehabilitative Services Committee and former chairman of the House Ad Hoc Subcommittee on Aging, the subject is a familiar one. In fact, during the 1980 legislative session, I cosponsored a bill that would have eliminated forced retirement for reasons of age alone. (Currently, Florida law permits involuntary retirement in the private sector when a person reaches age 70 if his or her employer provides retirement or pension benefits.)

Despite a host of eloquent spokespersons for the bill, including Congressman Claude Pepper, former Congressman Bob Sikes, baseball's hall of fame sportscaster Red Barber, and a number of other prominent elderly Floridians, the bill died in the Senate Committee on Rules and Calendar and on the House Calendar. Perhaps if opposition to the bill had been more overt, I would have been better prepared to develop strategy to convince my colleagues that capable older people should have the right to retain their jobs past age 70. However, beyond opposing testimony by representatives of industry and business early in the session, opposition to the bill was covert. I cannot help but think that media coverage of that testimony discouraged efforts to openly lobby against the bill. In a State such as Florida, where 25 percent of the population is elderly—most of whom are active, capable people—it is absurd to argue against the ability of older people, as a group, to contribute to the productivity of the work force.

As I prepared for the 1980 legislative session, I came across a number of interesting facts which refute common arguments against an open retirement policy. I would like to take this opportunity to share my findings with you.

As you are no doubt aware, studies indicate that both private pension plans and the social security fund may be in trouble by the turn of the century as a result of early retirement and the increased lifespan. A study of 200 leading corporate pension funds conducted for Business Week in 1976 revealed tremendous unfunded liabilities—over $16 billion—for some of the largest corporations in the country.[1] The study further indicated that in the future, companies, particularly those with highly organized unions, are expected to fall much farther behind in pension funding as a result of wage inflation, increased pension benefits, and poor stock showing.[2]

For the first time in its history, the solvency of the social security fund is threatened. As a result of declining birth rates and increased retirement rates, the ratio

[1] Harold L. Sheppard and Sara E. Rix, "The Graying of Working America," New York, N.Y., 1977.
[2] Ibid.

of workers to nonworkers is decreasing. Consequently, in recent years, the system has been paying out between $3 and $4 billion more than it collects annually in payroll taxes.[3]

Pension systems and the social security fund should benefit from the elimination of a mandatory retirement age, since employees who opt to work past age 70 would not begin to collect benefits until later in their life. During the employee's extended employment, the company has use of the older employee's pension money and accrued interest and is not required to continue contributions to the pension fund on behalf of the employee. Upon actual retirement, the older employee would receive the same benefits he or she would have received at the "usual" retirement age.[4]

Another argument against extending the mandatory retirement age is its possible adverse effect on employment and career opportunities for young people, women, and minorities. However, according to some experts, early retirement is not a solution to unemployment; frequently retirees are not replaced.[5] Additionally, women, particularly displaced homemakers, often enter the work force after age 40. Forced retirement at age 70 could prevent a woman who joined the work force at age 51 or older from earning 20 years of creditable service—a factor that affects the amount of pension benefits one collects.

Additionally, experts believe that the elimination of a mandatory retirement age will effect the timing of promotions but not the number. If mandatory retirement were prohibited, an average delay of 3 years in promotions to senior positions is anticipated. The overall effect of younger workers, women, and minorities would be a hold in their career path after which normal promotion and hiring patterns would return.[6]

The average corporate pension in Florida for a retiree with 20 years of service and a final annual salary of $12,000 is $3,000 a year or approximately $250 per month.[7] Since minorities and women, as a result of discrimination in employment are often in low-paying jobs, they are more likely than the rest of retirees to receive benefits that are inadequate. Furthermore, only 39 percent of all women above age 17 are covered by a pension plan, compared to 56 percent of men in the same age group.[8] Such startling statistics lead me to conclude that more older women than men may need to extend their employment beyond age 70 for financial reasons.

Another concern about an open retirement policy for Florida, specifically, is the anticipated adverse effect of a liberal State policy on the attraction of industry to Florida. According to industrial location theory, however, a number of factors influence site selection, including quality of life, tax climate, availability of labor and resources, proximity to market, location of competitors, etc.[9] In California, the home State of 3.2 million older people compared to 1.9 million senior Floridians, the elimination of the mandatory retirement age in 1977 has had no discernable affect on industry.[10]

Another common argument against changing or eliminating the mandatory retirement age is the potential cost to businesses which may be required to revise their pension plans. However, according to a highly reputable actuarial firm, when Federal legislation changed the age of permissable mandatory retirement from age 65 to 70, the cost of preparing amendments for many firms was $500 or less.[11] In order to avoid the need for future changes in such plan, some firms, in conforming with the Age Discrimination in Employment Act Amendments, chose to remain silent about age and now refer only to delayed retirement in their pension plans and do not mention the age 70 limit.[12]

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[3] U.S. House Select Committee on Aging, "Mandatory Retirement: The Social and Human Costs of Forced Idleness," Washington, August 1977.
[4] Henry M. Wallhast, "The Effects of Extending the Mandatory Retirement Age," American Management Association, 1978.
[5] Op. cit., Shepphard.
[6] Donald Dunlop and Mark Daniel, "Mandatory Retirement Policy: A Human Rights Dilemma?" Conference Board in Canada, January 1980.
[7] Committee on Retirement, Personnel and Collective Bargaining, "Florida Fringe Benefit System," House of Representatives, February 1979.
[8] Irma Schechter, editor, "Aging Services News," Bethesda, Md., May 23, 1980.
[9] John R. Fernstrom, "Bringing in the Sheaves," Oregon State University, 1979.
[10] California Department of Aging, Mandatory Retirement Legislation and Staff Summaries, Sacramento, Calif., 1976-77.
[11] Telephone interview with representative of Tillinghast, Nelson and Warren, May 1980.
[12] Ibid.

Finally, the abilities and skills of older people are frequently a point of contention when mandatory retirement is discussed. My research indicates that the stereotypes associated with aging often used to justify early retirement are inaccurate.

"Specifically: As a group, older workers have fewer accidents and less absenteeism than other workers. The efficiency and productivity of older workers equal and sometimes exceed the output of younger workers on a wide variety of job situations. Older workers can acquire new job skills and be retrained to meet the demands of more work situations as readily as those who are younger." [13]

The American Medical Association, in an affidavit filed in the *Rosen* v. *Carey* case, maintained that:

"The philosophy of the marketplace has brainwashed thousands of Americans into the belief that a person is over the hill at age 65; that statutory senility occurs automatically . . . Medicine, therefore, is compelled to oppose retirement keyed to any chronological age as detrimental to the best interest of the employee and society. . . ." [14]

According to a February 1979 Harris study, 88 percent of current employees and 67 percent of business executives felt that no one should be forced to retire solely because of age.[15] When older people are forced to retire or are precluded from obtaining employment because of age, resulting decreases in income frequently force greater dependence on social services and family. Loss of employment has been linked with the increased incidence of depression and suicide among males age 65 and older. In addition, the American Medical Association (AMA), through its committee on aging, found that physical and emotional problems among older people frequently result from the lack of employment opportunities.[16]

In summary, the elimination of mandatory retirement should not disrupt the labor market or result in inordinate expense to industry. Instead, employment should benefit pension funds and capable older persons who bear the brunt of age discrimination in employment.

Senator CHILES. The statements of Earl Kauffman and Tomi Crofut will also be made part of the record.

[The statements of Mr. Kauffman and Ms. Crofut follow:]

STATEMENT OF EARL KAUFFMAN

My name is Earl Kauffman. I am a professor, emeritus of the University of Kentucky, where I organized and directed the Council on Aging, 1961 to 1974. From 1973 to 1979, I was the director of the community programs at Hawthorne-at-Leesburg, a retirement community of some 2,000 people. Since my retirement from this position, I have been retained as a consultant to Colonial Penn Communities, Inc.

Employment for older people has another definition from that of working in offices, shops, stores, and the like, where the incentive is to earn a salary. There is nothing wrong with this definition, it is most commendable and should be promoted vigorously. However, employment may also be defined as involvement, where the rewards are the satisfaction of giving of one's self in service to others; where the recognition of society is a reward in itself: where the continued use of the talents and knowledge gained over a lifetime are placed to the use by individuals and groups in the community in which one lives.

Therefore, I suggest that your Committee on Aging adopt a definition of work which includes this extension of the value of life in retirement and that you give this new definition wide publicity. I further suggest that the VISTA guidelines be amended to provide for the utilization of older persons in a greatly expanded array of services. What I am recommending is the creation of a network of senior advisers to decisionmakers, a cadre of people in each community who will make themselves available to study problems and issues referred to them by public officials, business leaders, and others who need all the information they can get before deciding upon a course of action. Such a program can be accomplished without large appropriations or a new administrative structure.

Respectfully submitted.

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[13] National Council on the Aging, Inc. "Employment," Factbook on Aging, Washington, D.C., February 1979, pages 7-196.

[14] Senate Committee on Health and Rehabilitative Services, The Elderly in Florida: A Legislative Study, "Financial Problems of the Elderly," Tallahassee, Fla., April 1976.

[15] National Committee on Careers for Older Americans, "Older Americans: An Untapped Resource," Washington, D.C., 1979.

[16] Op. cit., Senate Committee on Health and Rehabilitative Services.

Statement of Tomi Crofut

Effects of Eliminating Mandatory Retirement for Reasons of Age

House bill 1345 (sponsored by Representatives Dick Batchelor and Tom Hasouri) prohibits mandatory retirement for reasons of age alone. Current law permits involuntary retirement in the private sector when a person reaches age 70 if his or her employer provides retirement or pension benefits.

Opponents of the bill claim that resulting changes in pension plans "would be very costly to business." However, according to a highly reputable actuarial firm, when Federal legislation changed the age of permissible mandatory retirement from age 65 to 70, the cost of preparing amendments for many firms was $500 or less.[1] In order to avoid the need for future changes in such plans, some firms, in conforming with the Age Discrimination in Employment Act Amendments chose to remain silent about age and now refer only to delayed retirement in their pension plans and do not mention the age 70 limit.[2]

Studies indicate that both private pension plans and the social security fund may be in trouble by the turn of the century as a result of early retirement and the increased lifespan. A study of 200 leading corporate pension funds conducted for Business Week in 1976 revealed tremendous unfunded liabilities—over $16 billion—for some of the largest corporations in the country.[3] The study further indicated that in the future, companies, particularly those with highly organized unions, are expected to fall much farther behind in pension funding as a result of wage inflation, increased pension benefits, and poor stock showings.[4]

For the first time in its history, the solvency of the social security fund is threatened. As a result of declining birth rates and increased retirement rates, the ratio of workers to nonworkers is decreasing. Consequently, in recent years, the system has been paying out between $3 and $4 billion more than it collects annually in payroll taxes.[5]

Pension systems and the social security fund should benefit from H.B. 1345 since employees who opt to work past age 70 would not begin to collect benefits until later in their life. During the employee's extended employment, the company has use of the older employee's pension money and accrued interest and is not required to continue contributions to the pension fund on behalf of the employee. Upon actual retirement, the older employee would receive the same benefits he or she would have received at the "normal" retirement age.[6]

Another argument against the bill is its possible adverse affect on employment and career opportunities for young people, women, and minorities. However, according to some experts, early retirement is not a solution to unemployment; frequently retirees are not replaced.[7] Additionally, women, particularly displaced homemakers, often enter the work force after age 40. Forced retirement at age 70 could prevent a woman who joined the work force at age 51 or older from earning 20 years of creditable service—a factor that affects the amount of pension benefits one collects.

Additionally, experts believe that the elimination of a mandatory retirement age will effect the timing of promotions but not the number. If mandatory retirement were prohibited, an average delay of 3 years in promotions to senior positions is anticipated. The overall effect on younger workers, women, and minorities would be a hold in their career path after which normal promotion and hiring patterns would return.[8]

The average corporate pension for a retiree with 20 years of service and a final annual salary of $12,000 is $3,000 a year or approximately $250 per month.[9] Since minorities and women, as a result of discrimination in employment are often in low paying jobs, they are more likely than the rest of retirees to receive benefits that are inadequate.

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[1] Telephone interview with representative of Tillinghast, Nelson and Warren, May 1980.
[2] Ibid.
[3] Harold L. Sheppard and Sara E. Rix, "The Graying of Working America," New York, N.Y., 1977.
[4] Ibid.
[5] U.S. House Select Committee on Aging, "Mandatory Retirement: The Social and Human Costs of Forced Idleness," Washington, August 1977.
[6] Henry W. Wallfast, The Effects of Extending the Mandatory Retirement Age," American Management Association, 1978.
Op. Cit., Sheppard.
[7] Donald Dunlop and Mark Daniel, "Mandatory Retirement Policy: A Human Rights Dilemma?" Conference Board in Canada, January 1980.
[8] Committee on Retirement, Personnel and Collective Bargaining, "Florida Fringe Benefit System," House of Representatives, February 1979.

Another concern of opponents of H.B. 1345, is the bill's anticipated adverse affect on the attraction of industry to Florida. According to industrial location theory, however, a number of factors influence site selection, including quality of life, tax climate, availability of labor and resources, proximity to market, location of competitiors, etc.[10] In California, the home State of 3.[illegible] million older people compared to 1.9 million senior Floridians, the elimination of the mandatory retirement age in 1977 has had no discernable affect on industry. [11]

In summary, the elimination of mandatory retirement should not disrupt the labor market or result in inordinate expense to industry. Instead, extended employment should benefit pension funds and capable older persons who bear the brunt of age discrimination in employment.

Senator CHILES. We thank you very much for your attendance. We also want to thank our court reporter.

[Whereupon, at 5:10 p.m., the hearing adjourned.]

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[10] John R. Backstrom, "Bringing in the Sheaves," Oregon State University, 1979.
[11] California Department of Aging, Mandatory Retirement Legislation and Staff Summaries, Sacramento, Calif., 1976-77.

APPENDIXES

Appendix 1

STATEMENT OF DIANE TODD, NEW JERSEY GREEN THUMB PROGRAM

Mr. Chairman, my name is Diane Todd and I work with the New Jersey green thumb program.

As you know, green thumb is an employment program for older disadvantaged primarily rural people funded by the U.S. Department of Labor under title V of the Older Americans Act. New Jersey was one of four pilot States for the program in 1965, employing approximately 45 people. Today, the program employs approximately 1,000 people in 20 of the State's 21 counties. Nationally, the program employs close to 18,000 people in 45 States, Puerto Rico, and the District of Columbia.

I am grateful for the opportunity to turn in this testimony on "Work After 65: Options for the 80's." Employment of older people not only relieves the burden on the social security system and other retirement plans, it adds to the economy of the country. Older workers contribute to their local economy as well as to the tax coffers instead of just drawing from it. Workers who are still able to work and have a guaranteed right to continue working will be better able to maintain their pre-retirement income levels and fight off poverty.

In green thumb's inception in 1965, the employment of older people was a new concept, a byproduct of the "war on poverty." It has now become a necessity. Our population is increasingly growing older. Today, one in every nine persons is over 65: In 50 years, it will be one in five. Coupled with this is an ever decreasing retirement age. A recent study indicates that the retirement age in the last half of this decade will be 46. Today, only one out of five persons over 65 remains in the work force, down 37 percent from 20 years ago. There are today six active workers for every retired person. By the year 2030, there will only be three active workers to every retired person. This trend will severely bankrupt the already problem plagued social security system and no doubt will bankrupt private pension plans as well. New Jersey, which ranks ninth in the country in overall population of persons 55 years of age and older, has seen its older population increase by 15.5 percent from 1970 to 1976. And yet, it is estimated that only about 10 percent of this segment of the population is in the work force.

It is evident that a decreasing young population cannot continue to maintain an older population. And, it would be wasteful indeed if the skills, wisdom, and experience of these older people are allowed to go untapped. Work forces need to be balanced with the vigor of youth and the wisdom and experience of age.

It has been suggested that older people need to work to maintain their health. One study has shown that older people have a tendency to die 1.5 years after they retire. Health professionals have stated that an elimination of idleness in older people could reduce health care physically and mentally for older people. Idleness has been blamed for many emotional problems. Alcoholism among the elderly, an increasing problem, has been blamed on idleness.

Thus, not only has work among the elderly become a necessity for society, it may be necessary to insure that we have an older society. But in order to keep older workers in the labor force, employers need to become better acquainted with the issues and needs surrounding the older worker, their abilities and limitations, and how they fit into the work force. Once employers understand their older workers, they can begin to adapt the work environment, making continued employment more productive and satisfying for the older worker.

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There are many alternatives an employer can choose from in insuring a balanced work force of young and old, and vigor and experience. The employer should choose that alternative which is most feasible.

Work schedules can be redesigned to allow part-time job positions where full-time positions are now. Also flexitime schedules may assist older people in remaining on the job.

Not only should work schedules be rearranged, but perhaps the job itself should be redesigned, allowing the employer to tap the experience of the older person where physical strength was all that was needed.

Government regulations which impede the employment of older people should be modified. Certain CETA programs exclude older people from their on-the-job training programs by mandating full-time positions for contracts written. Many older people are unable to work full time, either for fear of losing a pension, for health reasons, or just a desire to work only part time. However, they are unable to take advantage of the CETA OJT program because the program requires full-time employment. Also, the current social security provision for an end to the income earnings limitation should remain part of the law and not be changed.

The concept of self-help should be the cornerstone of government programs for older people in the 1980's. Older people who are interested should be encouraged to open their own businesses. These individuals should be given assistance in such areas as the legal technicalities for opening up their own business, getting a loan for startup capital, classes in such things as tax laws, marketing, product development, and other areas.

Preretirement programs should be expanded. These are beneficial in providing options for older people when they retire in such things as second careers, opening a business, turning hobbies into businesses, etc. More importantly, these programs can assist older people to plan their retirement rather than taking it haphazardly which has led to disastrous results for many older people. Postretirement planning should also be expanded for those who find themselves without options after they retire.

There should be tax incentives for private industry for encouraging older workers to remain in the work force in such areas as training older employees in new skills or hiring individuals over the age of 65.

Another area of consideration are the older workers who are reentering or entering the job market for the first time. These people may need special assistance in finding employment.

The employment services should segregate older workers in their file from other age groups in a similar fashion that they now segregate veterans. It is sematically difficult for an employment service worker to find an older worker in the files. A segregation system will insure that older applicants will be available when requested without the need for looking through every applicant's file. The easier the access is for older applicants, the better the chance of getting into the work force.

The position of the employment resource specialist, the older worker specialist in the employment service offices, should be better publicized. It has been stated that "they are one of the best kept secrets in the State." They could assist employers who desire older workers in getting them. Unfortunately, many employers are unaware of their existence. Thus, the position of employment resource specialist should be strengthened and publicized.

Though these programs may appear to be an expense to the employer, it would actually be a sound investment. Older workers return much more to the economy than they draw from it. It has been estimated that an individual on green thumb returns $4.75 for every $1 given to the program.

Work and economic security go hand in hand. Perhaps many of the social service programs could be reduced as more older people enter the work force for work not only provides income, it provides social contacts, social status and health. To society, it provides a greater tax base and less of a draw on the economy. In both the long and short run, employment of seniors benefits all.

Appendix 2

STATEMENTS SUBMITTED BY THE HEARING AUDIENCE

During the course of the hearing, a form was made available by the committee to those attending who wished to make suggestions and recommendations but were unable to testify because of time limitations. The form read as follows:

Dear Senator Chiles: If there had been time for everyone to speak at the hearing on "Work After 65: Options for the 80's," in Orlando, Fla., on July 9, 1980, I would have said:

The following replies were received:

STATEMENT OF GENE AMYX, MAITLAND, FLA.

I would have suggested that our social security program be revamped so that the younger as well as the older person, will realize that the social security program is not going broke. Many seniors worry unduly about the social security program, and want to continue working partly out of fear of the future. "Peace of mind" is a factor that can determine good health and happiness in old age. Worry about factors in the future has the opposite effect.

Senator, I hope you and your committee can look into the social security program and make the needed changes.

STATEMENT OF RALPH AND EDNA MILLER, CITRUS, FLA.

Interesting and enlightening. You are doing an excellent job—in this and other areas. We appreciate your work.

As Phoebe Carpenter's parents, we appreciate your work in child day care.

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